

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS

X

WATER SANDS

LOCATION INSPECTED

SUB. REPORT/abd.

960403 ANR to Coastal oil. 12-22-95:

DATE FILED

APRIL 25, 1994

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO.

INDIAN 14-20-H62-

DRILLING APPROVED:

JUNE 10, 1994

4614

SPUDDED IN:

COMPLETED:

PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

~~Confidential~~

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED:

LOCATION ABANDONED PER BLM APD EXPIRED EFFECTIVE JULY 11, 1996

FIELD:

ALTAMONT FIELD

UNIT:

NA

COUNTY:

DUCHESE

WELL NO.

UTE #1-26B6

API NO. 43-013-31447

LOCATION

205' FNL

FT. FROM (N) (S) LINE.

2485' FWL

FT. FROM (E) (W) LINE.

NE NW

1/4 - 1/4 SEC.

26

TWP.

RGE.

SEC.

OPERATOR

TWP.

RGE.

SEC.

OPERATOR

2S

6W

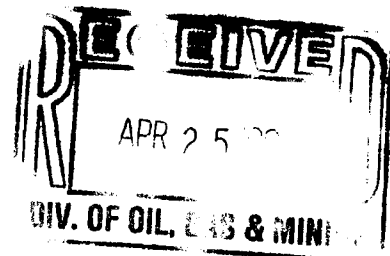
26

ANR PRODUCTION CO

Coastal Oil & Gas Corp.



April 22, 1994



Bureau of Land Management
170 S. 500 E.
Vernal, UT 84078

Attn: Minerals

Re: ANR Production Company
Ute #1-26B6, #2-26B6
Duchesne County, Utah
Lease No. 14-20-H62-4614

Dear Ladies & Gentlemen:

Enclosed please find four copies of the Application for Permit to Drill and associated Onshore Order No. 1 on the above mentioned wells. Copies of these applications have also been forwarded to the Ute Tribe and the BIA in Ft. Duchesne, Utah for their review.

Please note that a request for administrative approval of an exception to spacing has been requested from the Division of Oil, Gas & Mining for the Ute #1-26B6 location.

If you should need additional information, please don't hesitate to contact me.

Sincerely,

PERMITCO INC.

Lisa L. Smith
Consultant for:
ANR Production Company

Enc.

cc: ANR Production Company
Ute Tribe - Ft. Duchesne, UT
BIA - Ft. Duchesne, UT
Division of Oil, Gas & Mining, SLC, UT

Permitco Incorporated
A Petroleum Permitting Company

13585 Jackson Drive Denver, Colorado 80241 (303) 452-8888

CONFIDENTIAL - TIGHT HOLE

SUBMIT IN TRIPL
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	7. UNIT AGREEMENT NAME N/A
1b. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> SINGLE <input type="checkbox"/> MULTIPLE <input type="checkbox"/> WELL <input type="checkbox"/> WELL <input checked="" type="checkbox"/> ZONE <input checked="" type="checkbox"/> ZONE <input type="checkbox"/>	8. FARM OR LEASE NAME Ute
2. NAME OF OPERATOR 303/573-4476 600-17th Street, Suite 800 S ANR Production Company Denver, CO 80201-0749	9. WELL NO. #1-26 B6
3. ADDRESS OF OPERATOR 303/452-8888 13585 Jackson Drive PERMITCO INC. - Agent Denver, CO 80241	10. FIELD AND POOL OR WILDCAT Altamont
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At Surface 205' FNL and 2485' FWL At proposed Prod. Zone NE NW Sec. 26, T2S - R6W	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 26, T2S - R6W
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 23.5 miles northwest of Duchesne, Utah	12. COUNTY OR PARISH Duchesne
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 205'	13. STATE Utah
16. NO. OF ACRES IN LEASE 3640	17. NO. OF ACRES ASSIGNED TO THIS WELL 320 (2 wells/section)
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. None	19. PROPOSED DEPTH 14,300'
20. ROTARY OR CABLE TOOLS Rotary	21. APPROX. DATE WORK WILL START* Upon approval
21. ELEVATIONS (Show whether DP, RT, GR, etc.) 7208' GR	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" K-55	54.5# ST&C	0-200'	280 sx Type "V" AG
12-1/4"	9-5/8" S-95	40.0# BT&C	0-7400'	4658 CF Premium Plus
8-3/4"	7" S-95	26.0# LT&C	7200-10,700'	1906 CF Premium Plus
8-3/4"	5-1/2" S-95	23.0# LT&C	10700'-14300'	(See Attached)

ANR Production Company proposes to drill a well to a proposed T.D. of 14300' (Maximum 14500') to test the Wasatch formation. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM, BIA, & State of Utah requirements. See Onshore Order No. 1 attached.

Please be advised that ANR Production Company is considered to be the Operator of the above mentioned well. ANR agrees to be responsible under the terms of the lease for the operations conducted upon the leased lands. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by ANR Production Company under their Nationwide Bond #962213.

This location was staked at non-standard footages in accordance with the rules of the Utah Div. of Oil, Gas & Mining. This location was staked based on topography. Since ANR Production is the leaseholder or all acreage within a 1/4 mile radius, we are requesting that the State grant administrative approval to this exception location.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED 	Consultant for: TITLE ANR Production Co.	DATE 04/22/94
(This space for Federal or State office use)		


PERMIT NO. 43-013-31447	APPROVAL DATE
APPROVED BY	TITLE
CONDITIONS OF APPROVAL, IF ANY:	DATE: 6/10/94

cc: Utah Division of Oil, Gas & Mining

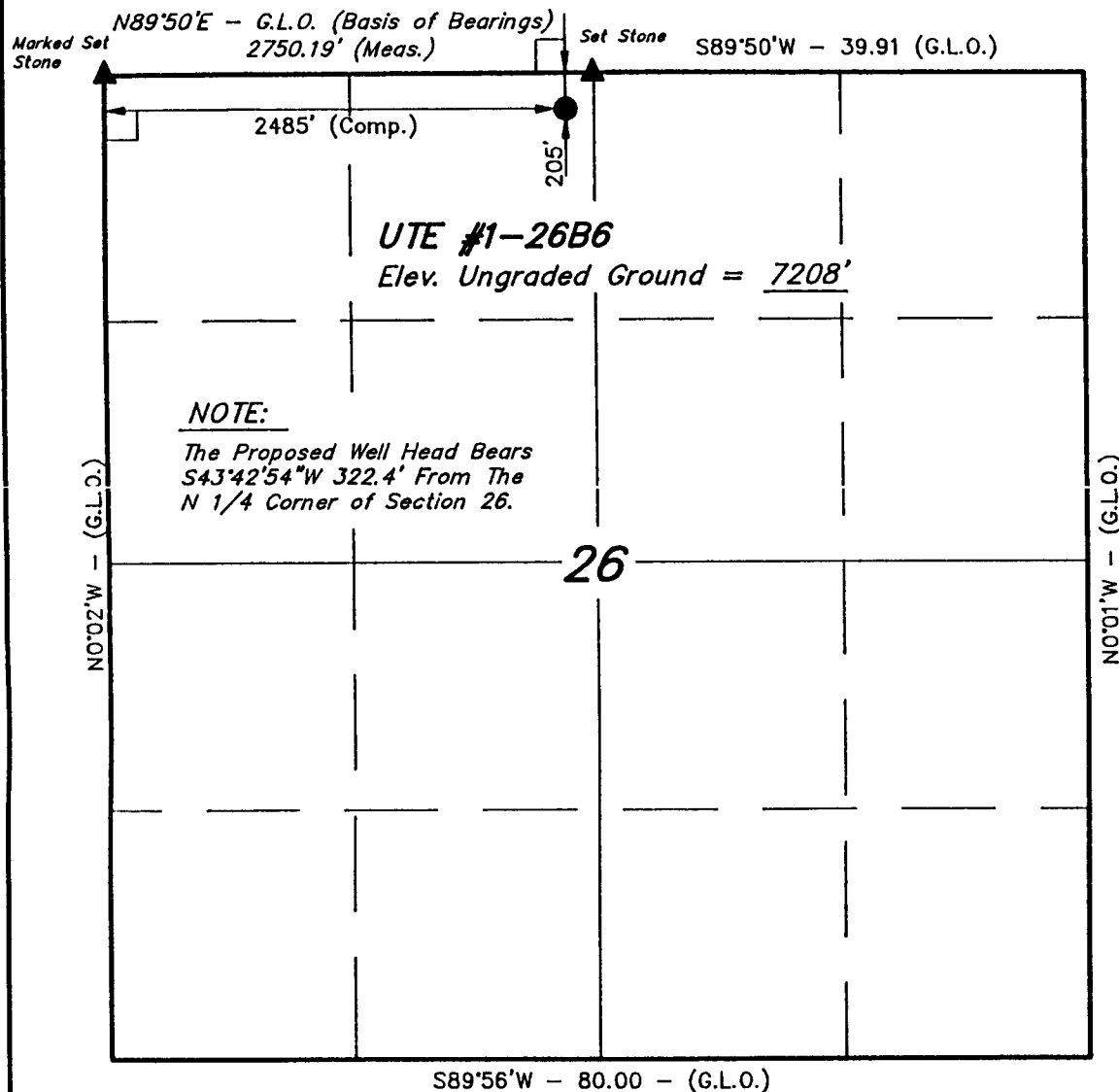
*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: **6/10/94**
BY: 
WELL SPACING **R649-3-3.**
Case No. 739-8.

T2S, R6W, U.S.B.&M.



LEGEND:

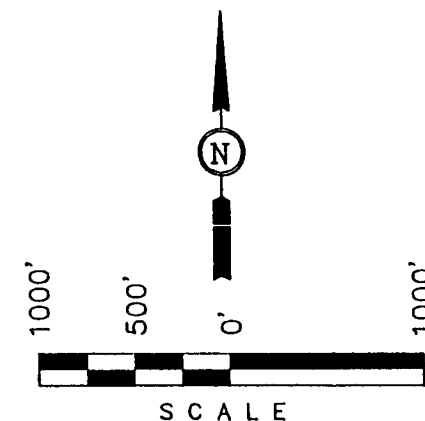
- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

ANR PRODUCTION CO.

Well location, UTE #1-26B6, located as shown in the NE 1/4 NW 1/4 of Section 26, T2S, R6W, U.S.B.&M. Duchesne County, Utah

BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 29, T2S, R6W, U.S.B.&M. TAKEN FROM THE BLACKTAIL MTN. QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7613 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert L. Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 5709
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (801) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 3-24-94	DATE DRAWN: 3-31-94
PARTY B.B. B.R. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ANR PRODUCTION CO.	

ONSHORE OIL & GAS ORDER NO. 1

**Approval of Operations on Onshore
Federal and Indian Oil & Gas Leases**

**Ute #1-26B6
205' FNL and 2485' FWL
NE NW Sec. 26, T2S - R6W
Duchesne County, Utah**

Prepared For:

ANR PRODUCTION COMPANY

By:

**PERMITCO INC.
13585 Jackson Drive
Denver, Colorado 80241
303/452-8888**

CONFIDENTIAL - TIGHT HOLE

Copies Sent To:

- 4 - BLM - Vernal, Utah**
- 1 - Utah Division of Oil, Gas & Mining - SLC, UT**
- 1 - BIA - Ft. Duchesne, UT**
- 1 - Ute Tribe - Ft. Duchesne, UT**
- 1 - ANR Production Co. - Denver, CO**





ANR Production Company
A SUBSIDIARY OF THE COASTAL CORPORATION

The Energy People

**Bureau of Land Management
170 S. 500 E.
Vernal, UT 84078**

RE: Federal Permitting Services

Gentlemen:

This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of ANR Production Company when necessary for filing county, state and federal permits including Onshore Order No.1, Right of Way applications, etc.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

ANR Production Company agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above mentioned well.

Sincerely,



Joseph J. Adamski
Environmental & Regulatory Analyst

TABLE OF CONTENTS

Ute #1-26 B6

DRILLING PROGRAM	<u>Page No.</u>
1. Formation Tops	1
2. Anticipated Depth of Oil, Gas & Water	1
3. Blow Out Preventor Requirements	1-3
4. Casing and Cement Program	3-7
5. Mud Program	7-8
6. Testing, Logging and Coring	8-9
7. Abnormal Pressures & H ₂ S Gas	9-10
8. Other Information & Notification Requirements	10-12
 SURFACE USE PLAN	
1. Existing Roads	2
2. Access Roads to be Constructed or Reconstructed	2-3
3. Location of Wells Within 1-Mile	3-4
4. Proposed Production Facilities	4-5
5. Water Supply	5-6
6. Construction Materials	6
7. Waste Disposal	6-7
8. Ancillary Facilities	7
9. Wellsite Layout	7-8
10. Reclamation	9
11. Surface/Mineral Ownership	10
12. Other Information	10-12
13. Certification	12-13

DRILLING PROGRAM

Page 1

**ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Duchesne River/Uinta	Surface	
Lower Green River	9,080'	-1862'
Wasatch	10,600'	-5244'
T.D.	14,300'	-7082'
Permit Depth	14,500'	-7282'

2. Estimated Depths of Anticipated Water, Oil, Gas or Minerals Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Lower Green River	9,080'
Oil/Gas	Wasatch	10,600'
Other Mineral Zones	N/A	

All fresh water prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment: (Schematic Attached)

ANR Production Company's minimum specifications for pressure control equipment are as follows:

DRILLING PROGRAM
Page 2

Ram Type: 11" Annular preventer (Hydril), 11" Double Gate Hydraulic, Drilling Spool, 5000 psi.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed;**
- b. whenever any seal subject to test pressure is broken**
- c. following related repairs; and**
- d. at 30-day intervals**

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.

DRILLING PROGRAM

Page 3

All of the above described tests and/or drills shall be recorded in the drilling log.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead time, in order to have the BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 5000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. **Proposed Casing and Cementing Program:**

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the

DRILLING PROGRAM

Page 4

maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.

- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)
- d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- i. Surface casing shall have centralizers on every fourth joint of casing starting with the shoe joint and up to the bottom of the cellar.

DRILLING PROGRAM
Page 5

- j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- l. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

- m. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>New or Used</u>	
						<u>Type</u>	
Surface	0-200'	17-1/2"	13-3/8"	54.5#	K-55	ST&C	New
Surface	0-7400'	12-1/4"	9-5/8"	40.0#	S-95	BT&C	New
Liner*	7200-10700'	8-3/4"	7"	26.0#	S-95	LT&C	New
Liner	10700-T.D.	8-3/4"	5-1/2"	23.0#	S-95	LT&C	New

* One string liner with 7" x 5-1/2" cross over joint.

- n. Casing design subject to revision based on geologic conditions encountered.
- o. The cement program will be as follows:

<u>Surface Conductor</u>	<u>Type and Amount</u>
0-200'	+ 280 sx type "V" AG w/2% CaCl ₂ , 1/4#/sk Flocele, Circ. w/10 bbls. to pit.

DRILLING PROGRAM
Page 6

Surface
0-7400'

Type and Amount

Lead: (Stage 1) 616 sx (2412 CF) Hi-fill Premium Plug cmt w/1% Econolite, 1/4#/sk Flocele, 10#/sk Gilsonite, 3#/sx Granulite, 16% gel, 0.3% HR-7 & 3% NaCl. (Approx. 3900' of fill).

Tail: w/280 sx (330 CF) Premium Plus Neat cmt w/1/4#/sk Flocele. (Approx. 500' of fill).

Set DV Tool @ 3000'

Lead: ((Stage 2) 490 sx (1916 CF) Hi-fill Premium Plus cmt. (Approx. 3000' of fill).

Production

Type and Amount

Lead: (Stage 1) 126 sx (362 CF) Silicalite Premium Plus cmt w/0.3% Halad 413 & 0.6% SCR-100. (Approx. 1550' of fill).

Lead: (Stage 2) 420 sx (874 CF) Silicalite Premium Plus cmt w/0.3% Halad 413. (Approx. 3800' of fill).

Tail: 540 sx (670 CF) 50/50 Pozmix cmt w/2% Halad 322 & 0.6% gel. (Approx. 1750' of Fill)

- p. Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- q. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- r. The following reports shall be filed with the District Manager within 30 days after the work is completed.
 - 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:

- a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
 - b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- s. Auxiliary equipment to be used is as follows:
1. Kelly cock
 2. No bit float is deemed necessary.
 3. A sub with a full opening valve.

5. **Mud Program:**

- a. The proposed circulating mediums to be employed in drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-7400'	Air Misting	---	--	---	--
7400-14300'	LSND to lightly dispersed mud.	9.9-10.2	40-45	8cc's	

Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

DRILLING PROGRAM

Page 8

- b. Mud monitoring equipment to be used is as follows:
 - 1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.
- c. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

6. **Evaluation Program:**

The anticipated type and amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated, however, if they are run the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

DRILLING PROGRAM

Page 9

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve providing some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program will consist of a DIL-SP-GR* and FDC-CNL-CR-CAL and BHC-Sonic-GR from 14300' to 7000'. The Gamma Ray will be pulled to surface.
- c. No cores are anticipated. Rotary sidewall cores if warranted.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- e. No stimulation or frac treatment has been formulated for this test at this time. The drill site, as approved, will be of sufficient size to accommodate all completion activities.

7. Abnormal Temperatures or Pressures

- a. No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area.

DRILLING PROGRAM

Page 10

- b. Maximum anticipated bottom hole pressure equals approximately 7579 psi (calculated at 0.53 psi/foot) and maximum anticipated surface pressure equals approximately 3146 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/ft.).

8. **Anticipated Starting Dates and Notification of Operations:**

- a. Drilling will commence immediately upon approval of this application.
- b. It is anticipated that the drilling of this well will take approximately 60 days.
- c. The BLM in Vernal, Utah shall be notified of anticipated date of location construction commencement and of anticipated spud date.
- d. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.
- e. The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.
- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, UT 84078.
- g. **Immediate Report:** Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

DRILLING PROGRAM

Page 11

- h. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- i. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- j. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- k. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.
- l. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.
- m. A first production conference will be scheduled within 15 days after receipt of the first production notice.
- n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the

ONSHORE ORDER N 1
ANR Production Co.
Ute #1-26 B6
205' FNL and 2485' FWL
NE NW Sec. 26, T2S - R6W
Duchesne County, Utah

Lease No. 14-20 H62-4614

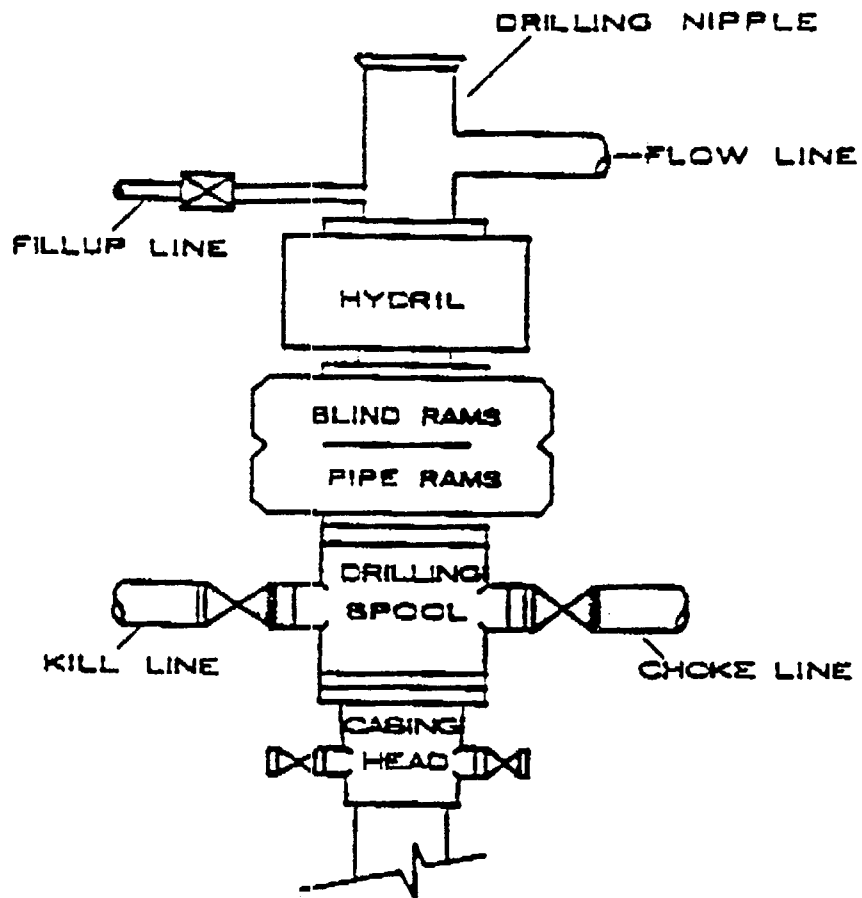
DRILLING PROGRAM

Page 12

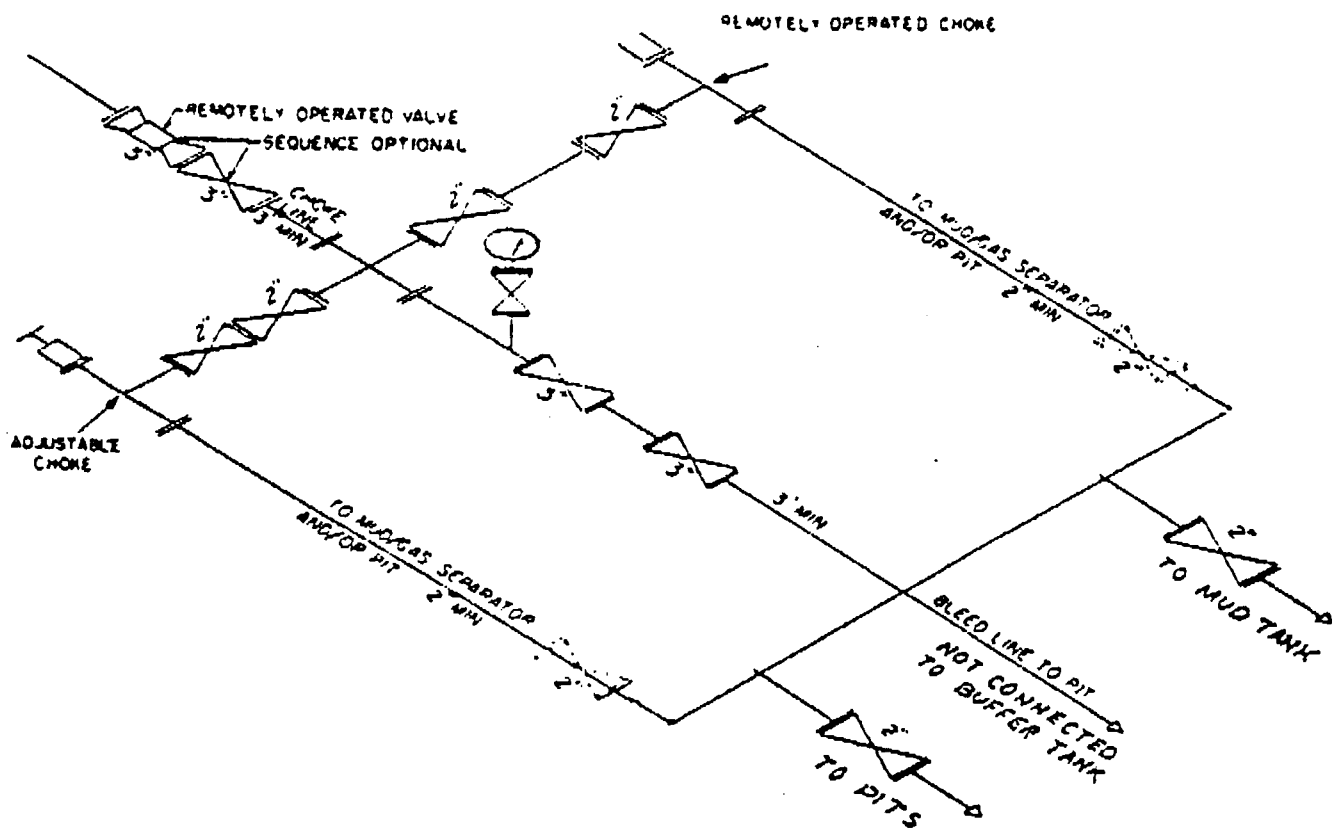
AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

- o. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.**

BOP STACK



ANR ANR Production Company
An American Natural Resources Company



ONSHORE ORDER NO. 1
ANR Production Co.
Ute #1-26 B6
205' FNL and 2485' FWL
NE NW Sec. 26, T2S - R6W
Duchesne County, Utah

— **Lease No. 14-20-H62-4614**

SURFACE USE PLAN
Page 1

ONSHORE OIL & GAS ORDER NO. 1

NOTIFICATION REQUIREMENTS

- | | |
|--|---|
| Location Construction - | forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion - | prior to moving on the drilling rig. |
| Spud Notice - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing - | twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests - | twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice - | within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

The onsite inspection for the above mentioned well was conducted on Monday, April 11, 1994 at approximately 4:00 p.m. Weather conditions were cool with a slight breeze. Present at the onsite inspection were the following individuals:

Ralph Brown
Dale Thomas
Pat Padia
Robert Kay
Lanny Taylor
Lisa Smith
Clay Einerson

Natural Resource Specialist
Soil Conservationist
Energy & Minerals
Surveyor
Surveyor
Permitting Consultant
Maintenance

BLM
BIA
Ute Tribe
UELS
UELS
Permitco Inc.
ANR Production Co.



SURFACE USE PLAN

Page 2

1. Existing Roads

- a. The proposed well site is located approximately 23.5 miles northwest of Duchesne, Utah.
- b. Directions to the location from Duchesne, Utah are as follows:

From Duchesne proceed west on Highway 40 for 6.8 miles. Turn right and proceed north and west for 6.3 miles to a fork in the road. Turn right and continue north an additional 6.3 miles to another fork in the road. Turn left and proceed northeasterly for 1.9 miles to a fork in the road. Continue northeast an additional 0.5 miles. Then proceed easterly for 1.7 miles on new access to the location.
- c. For location of access roads within a 2-Mile radius, see Maps A & B.
- d. Improvement to the existing access will not be necessary.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. Planned Access Roads

- a. Approximately 1.7 miles of new access will be required after leaving the #2-21B6 location. In addition, approximately 0.3 mile of access will need to be upgraded.
- b. The maximum grade will be approximately 8%.
- c. Turnouts will be installed where necessary.
- d. No culverts or bridges will be required.

- e. The access road was centerline flagged at the time of staking.
- f. Surface material will be that of native material.
- g. No gates, cattleguards or fence cuts will be necessary.
- h. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- i. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowing and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.
- j. A BIA road right of way application will be submitted under separate cover.

3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location.

- a. Water wells - none
- b. Injection wells - none
- c. Producing wells - none

ONSHORE ORDER NO. _____
ANR Production Co.
Ute #1-26 B6
205' FNL and 2485' FWL
NE NW Sec. 26, T2S - R6W
Duchesne County, Utah

Lease No. 14-20-H62-4614

SURFACE USE PLAN
Page 4

- d. Drilling wells - none
- e. Shut-in wells - none
- f. Temporarily abandoned wells - none
- g. Disposal wells - none
- h. Dry Holes - none

4. Location of Tank Batteries and Production Facilities.

- a. All permanent structures (onsite for six months or longer) constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five (5) state Rocky Mountain Inter-Agency Committee.

All production facilities will be painted within six (6) months of installation. Facilities required to comply with Occupational Health and Safety Act rules and regulations will be excluded from this painting requirement.

The required paint color is Desert Tan, Munsell standard color number 10 YR 6/3.

- b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the wellpad shall be surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire content of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- c. A Sundry Notice will be submitted showing placement of all production facilities prior to construction.
- d. If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will

be subject to appropriate rental or other financial obligation as determined by the authorized officer.

- e. Any necessary pits will be properly fenced to prevent any wildlife entry.
- f. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- g. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- h. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- i. The road will be maintained in a safe useable condition.
- j. All wellsite locations on the Uinta and Ouray Indian Reservation will have an appropriate sign indicating the name of the operator, the lease serial number, the well name and number, the survey description of the well (either footages or the quarter-quarter section, the section, township and range).
- k. Permission is hereby requested to construct powerlines and pipelines within the road corridor as shown on Map "B". A low pressure pipeline bundle will be constructed within the road corridor. The maximum width will be 60 feet. Powerlines will be constructed overhead. A ROW agreement and damage plat will be submitted under separate cover.

5. Location and Type of Water Supply

- a. Fresh water for drilling will be obtained from the Duchesne City Culinary Water System, located in Sections 1 and 2, T4S - R5W, Duchesne County, Utah under the existing water rights held by the City of Duchesne, Utah or from the Ute Indian Tribe Water Right #1230 taken from the Jasper Pike Canal.

- b. Water will be hauled to location over the roads marked on Maps A and B.
- c. No water well is to be drilled on this lease.

6. Source of Construction Material

- a. Construction materials needed for surfacing of the wellpad will be native from location and/or access road.
- b. No construction materials will be taken from Federal and/or Indian lands without prior approval from the appropriate surface management agency.
- c. If production is established, any additional construction materials needed for surfacing the access road and installation of production facilities will be purchased from a local supplier having a permitted (private) source of materials in the area.
- d. No construction materials will be required.

7. Methods of Handling Waste Disposal

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- b. A reserve pit will be lined with either native clay, commercial bentonite or plastic sufficient to prevent seepage. (If a plastic nylon reinforced liner is used, it shall be torn and perforated after the pit dries and before backfilling of the reserve pit.) No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.
- c. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.

SURFACE USE PLAN

Page 7

- d. After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.
- e. Drill cuttings are to be contained and buried in the reserve pit.
- f. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
- g. A chemical porta-toilet will be furnished with the drilling rig.
- h. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

8. Ancillary Facilities

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. Well Site Layout

- a. The reserve pit will be located on the southwest corner of the location.
- b. The flare pit will be located downwind of the prevailing wind direction on the south side, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.
- c. The stockpiled topsoil (first six inches) will be stored along the north and south sides of the location as shown on the attached rig layout.

SURFACE USE PLAN

Page 8

- d. Access to the wellpad will be from the west as shown on the attached rig layout.**
- e. See Location Layout for orientation of rig, cross section of drill pad and cuts and fills.**
- f. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be shown on the Location Layout.**
- g. Diversion ditches will be constructed around the north side of the wellpad as shown on the location layout.**
- h. All pits will be fenced according to the following minimum standards:**
 - 1. 39 inch net wire shall be used with at least one strand or barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).**
 - 2. The net wire shall be no more than 2-inches above the ground. The barbed wire shall be 3-inches above the net wire. Total height of the fence shall be at least 42-inches.**
 - 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.**
 - 4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.**
 - 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.**
- i. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.**

10. Plans for Restoration of Surface

Producing Location

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- b. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- c. If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.
- d. The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., will be removed.

To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three (3) feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

- e. The appropriate surface management agency should be contacted for the required seed mixture.

Dry Hole

- f. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and BLM will attach the appropriate surface rehabilitation conditions of approval.

ONSHORE ORDER NO. ~~14-20-H62-4614~~
ANR Production Co.
Ute #1-26 B6
205' FNL and 2485' FWL
NE NW Sec. 26, T2S - R6W
Duchesne County, Utah

Case No. 14-20-H62-4614

SURFACE USE PLAN
Page 10

11. Surface Ownership

The well site and proposed access road are situated on surface lands owned by the Uintah & Ouray Indian Tribes and administered in trust by:

Bureau of Indian Affairs
Uinta & Ouray Agency
P.O. Box 130
Ft. Duchesne, UT 84026
801/722-2406

12. Other Information

- a. A Class III archeological survey was conducted by Metcalf Archeological Consultants. A copy of this report is attached.
- b. At the request of the Ute Tribe, a Tribal monitor will be present during location and access road construction. Please notify Alvin Ignacio (801/722-5141 x 198 48 hour prior to construction.
- c. The operator is responsible for informing all persons in the areas who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

-whether the materials appear eligible for the National Register of Historic Places;

-the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and

-a time frame for the AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- d. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- e. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.
- f. Operator's employees, including subcontractors, will not gather firewood along roads constructed by operators. If wood cutting is required, a permit will be obtained from the Forestry Department of the BIA pursuant to 25 CFR 169.13 "Assessed Damages Incident to Right of Way Authorization". All operators, subcontractors vendors and their employees or agents may not disturb saleable timber (including firewood) without a duly granted wood permit from the BIA Forester.
- g. All roads constructed by operators on the Uinta and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state: (a) that the land is owned by the Ute Indian

ONSHORE ORDER NO.
ANR Production Co.
Ute #1-26 B6
205' FNL and 2485' FWL
NE NW Sec. 26, T2S - R6W
Duchesne County, Utah

Case No. 14-20-H62-4614

SURFACE USE PLAN
Page 12

Tribe, (b) the name of the operator, (c) that firearms are prohibited to all non-Ute Tribal members, (d) that permits must be obtained from the BIA before cutting firewood or other timber products and (3) only authorized personnel permitted.

- h. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- i. This permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

13. Lessee's or Operator's Representative and Certification

Permit Matters

PERMITCO INC.
Lisa L. Smith
13585 Jackson Drive
Denver, CO 80241
303/452-8888

Drilling & Completion Matters

ANR Production Company
600-17th Street, Suite 800 S
Denver, CO 80201-0749
Ned Shifflett - Operations Superintendent
303/573-4455 (office)
Joe Adamski - Environmental Coordinator
303/573-4476 (office)
303/828-3045 (home)

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by ANR Production Company its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

ONSHORE ORDER NO. _____
ANR Production Co.
Ute #1-26 B6
205' FNL and 2485' FWL
NE NW Sec. 26, T2S - R6W
Duchesne County, Utah

Case No. 14-20-H62-4614

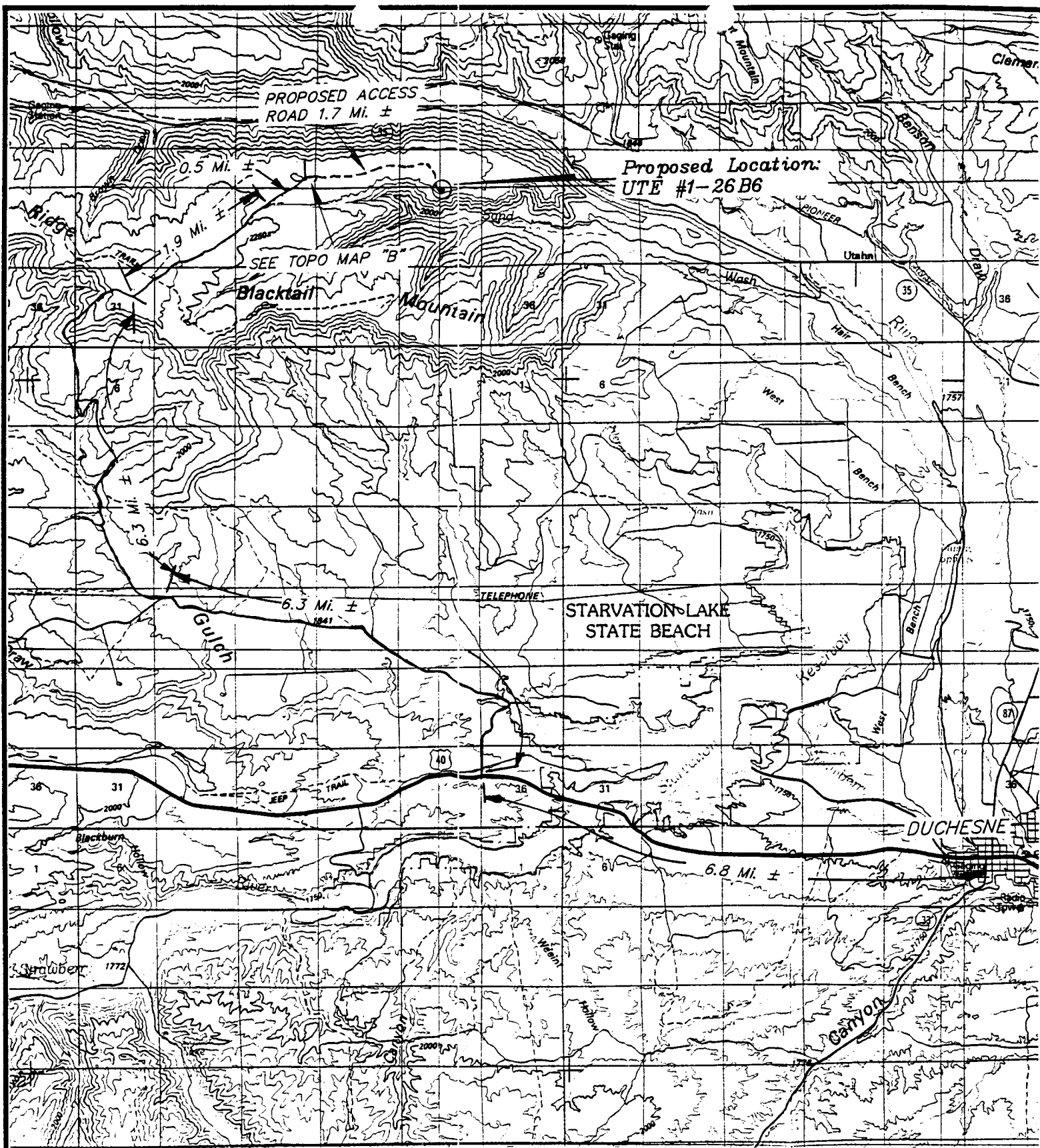
SURFACE USE PLAN
Page 13

This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

April 22, 1994
Date:



Lisa L. Smith - PERMITCO INC.
Authorized Agent for:
ANR PRODUCTION COMPANY



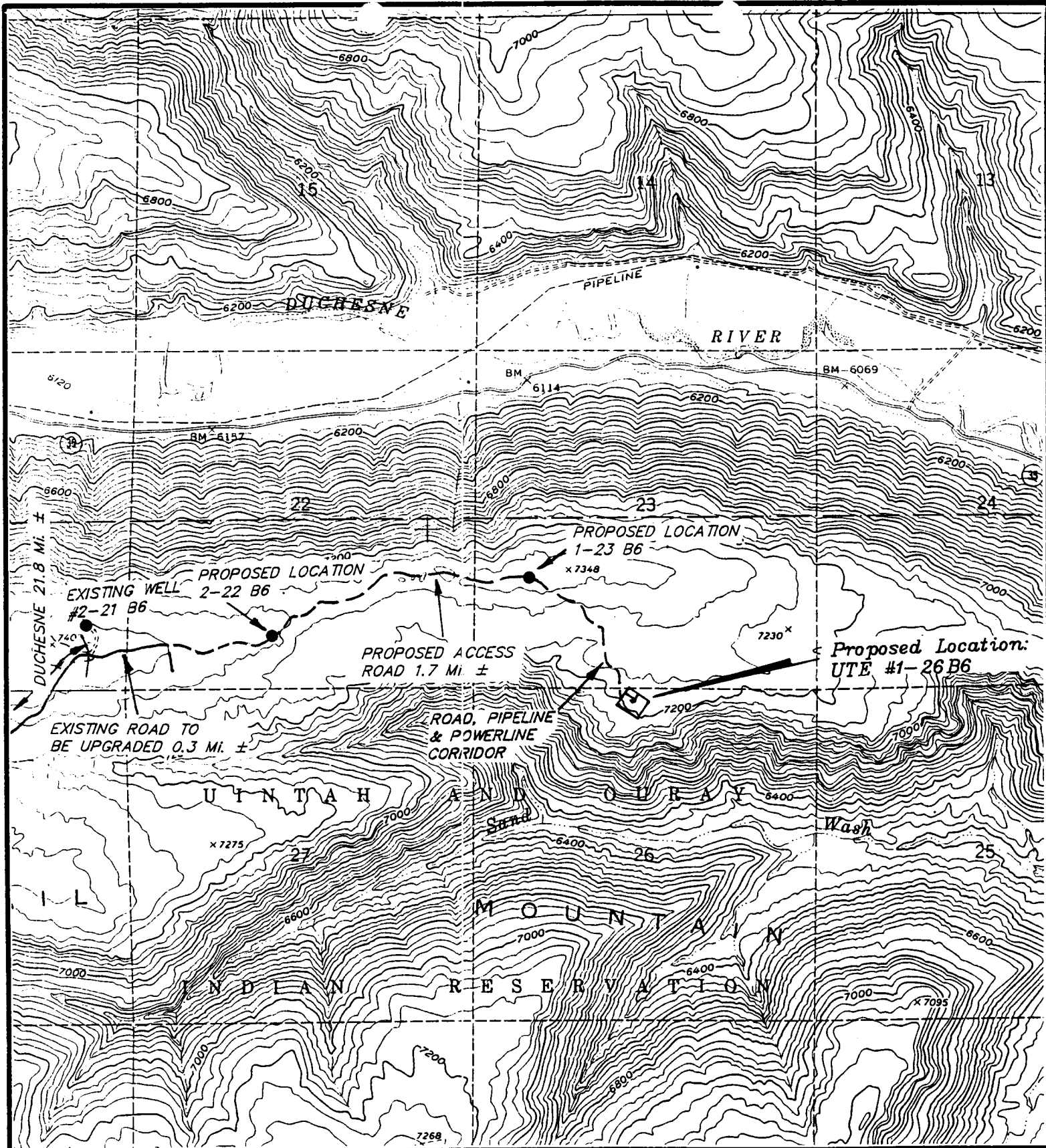
TOPOGRAPHIC
MAP "A"

DATE: 12-17-93 D.U.S.



ANR PRODUCTION CO.

UTE #1-26 B6
SECTION 26, T2S, R6W, U.S.B.&M.
205' FNL 2485' FWL



ANR PRODUCTION CO.

UTE #1-26 B6
 SECTION 26, T2S, R6W, U.S.B.&M.
 205' FNL 2485' FWL

ANR PRODUCTION CO.

LOCATION LAYOUT FOR

UTE #1-26B6

SECTION 26, T2S, R6W, U.S.B.&M.

205' FNL 2485' FWL

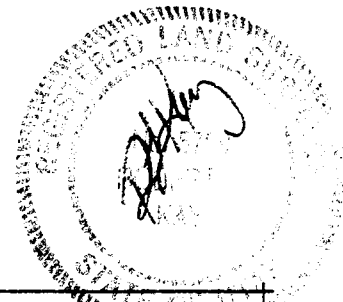
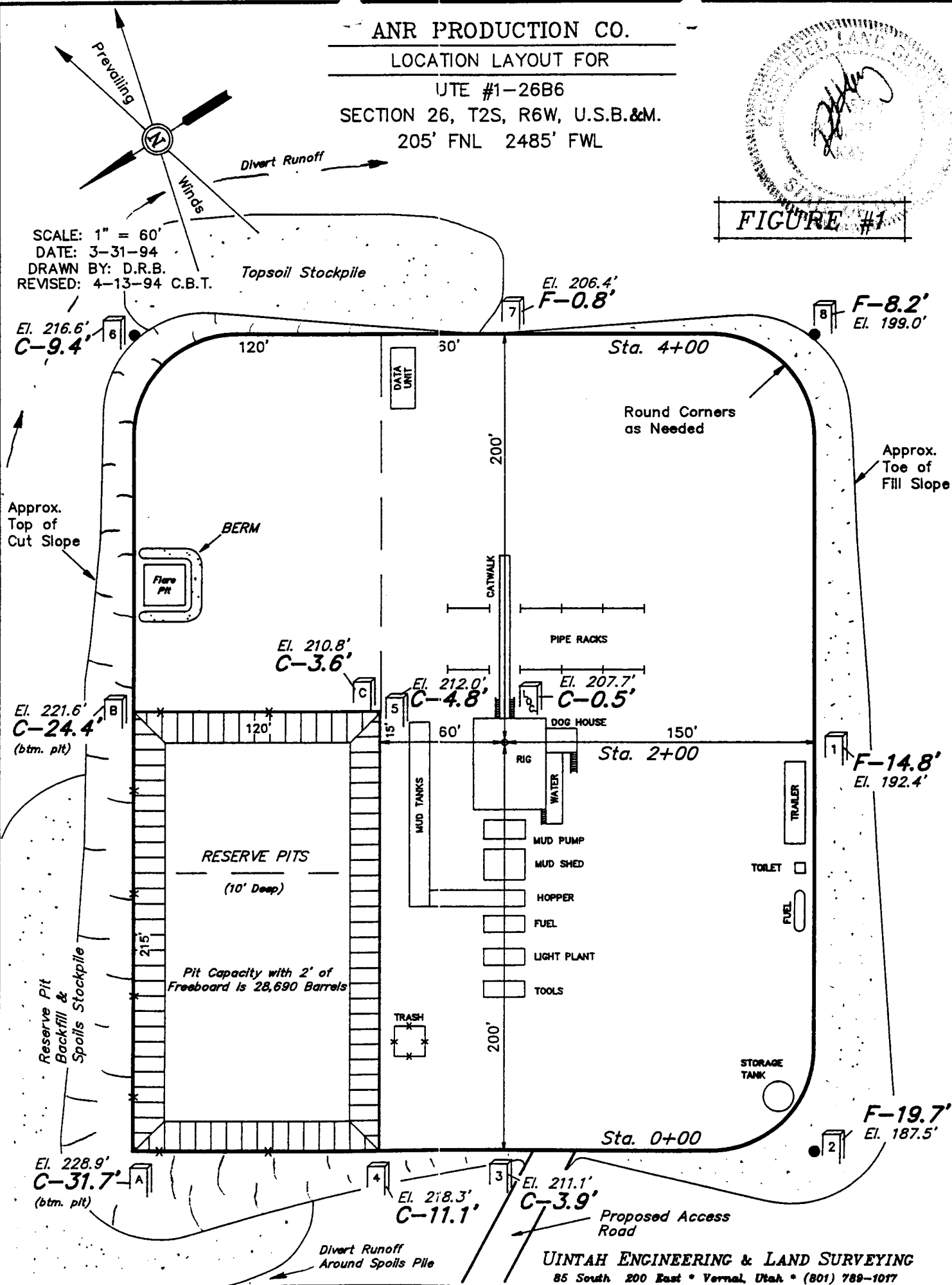
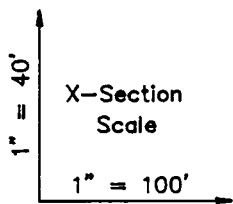


FIGURE #1

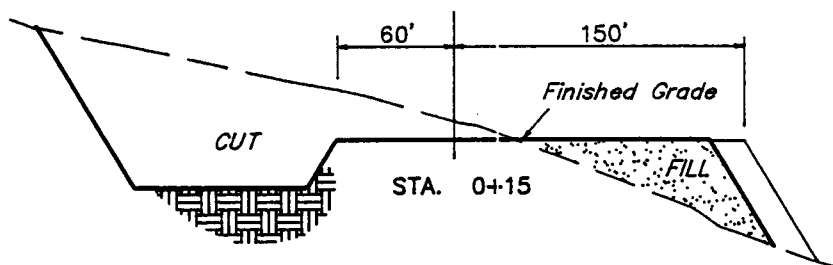
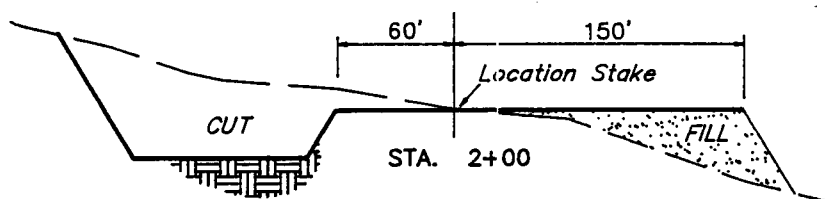
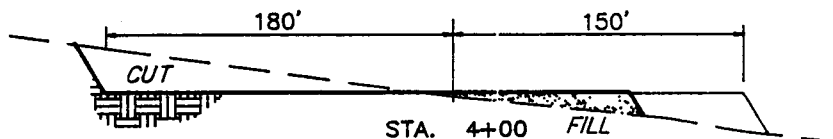
SCALE: 1" = 60'
DATE: 3-31-94
DRAWN BY: D.R.B.
REVISED: 4-13-94 C.B.T.



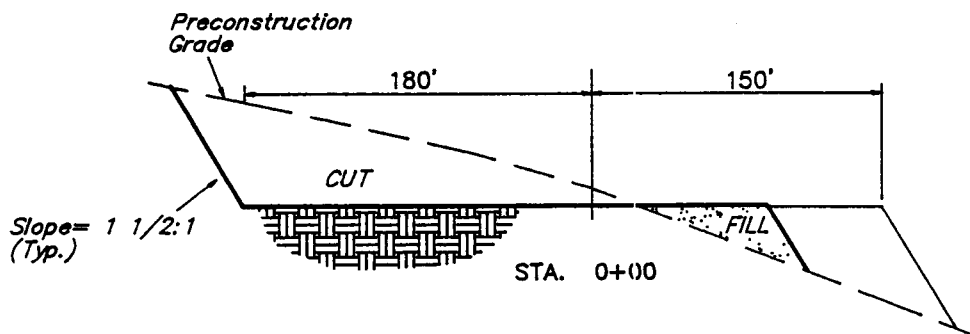


ANR PRODUCTION CO.
TYPICAL CROSS SECTIONS FOR
UTE #1-26B6
SECTION 26, T2S, R6W, U.S.B.&M.
205' FNL 2485' FWL

DATE: 3-31-94
DRAWN BY: D.R.B.



Topsoil should not be
Stripped Below Finished
Grade on Substructure Area.



APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	4,890 Cu. Yds.
Remaining Location	=	28,120 Cu. Yds.
TOTAL CUT	=	33,010 CU.YDS.
FILL	=	19,550 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	12,430 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Volume)	=	8,780 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	3,650 Cu. Yds.

FIGURE #2

Elev. Ungraded Ground At Location Stake = 7207.7'

Elev. Graded Ground at Location Stake = 7207.2'

There are no federal stipulations at this time.





M A C Metcalf Archaeological Consultants, Inc.

28 Mar 1994

Mr. Joseph J. Adamski
Coastal Oil & Gas Corp
P. O. Box 749
Denver, CO 80201-0749

Dear Mr. Adamski,

Enclosed find copies of cultural resource survey reports for a utility corridor, and for six proposed well locations and associated access corridors in the Ute Oil Field for ANR Production Company. All of these study areas are on Ute Indian land. No cultural resources were found in the area of the utility corridor or proposed Ute wells 2-22 B6, 3-22 B6, 1-23B6, or 2-27 B6. Cultural resource clearance is recommended for these proposed undertakings as staked.

Isolated finds were located in the vicinity of proposed Ute wells 2-26 B6 and 2-27 B6. The isolated find near the Ute 2-26 B6 project area is outside of the area of effect of the proposed undertaking, and no stipulations or modifications have been recommended. The two isolated finds in the Ute 1-26 B6 project area are near the proposed well pad. The field archaeologist in consultation with the tribal Energy and Minerals Technician has recommended that the drill location and well pad be moved 50 feet to the northwest and that construction be monitored by a Ute Tribe Energy and Minerals Technician to avoid adverse impact to the locations of the isolated finds. Cultural resource clearance is recommended with the latter stipulation.

If you have any questions or require any additional materials, do not hesitate to contact our office.

Sincerely,

Carl Spath, Ph.D.
Senior Staff Archaeologist

xc: Betsie Chapoose, Cultural Rights & Protection
Ferron Secakuku, Energy and Minerals
Pat Padia, Energy and Minerals
Business Committee, Ute Tribe
Dale Hanberg, BIA, Ft. Duchesne
Norm Cambridge, BIA, Ft. Duchesne
Amy Huslein, BIA, Phoenix
State Historic Preservation Office, Salt Lake City
Permitco, Denver



ANR Production Company's
Ute #1-26B6 Well Pad
Duchesne County, Utah
Cultural Resource Inventory on Ute Tribal Land

by
John M. Scott

Michael D. Metcalf
Principal Investigator

for
Coastal Oil and Gas Corporation
Nine Greenway Plaza, Suite 474
Houston, TX 77046

Prepared by
Metcalf Archaeological Consultants, Inc.
P. O. Box 899
Eagle, CO 81631

Project Number U-94-mm-143i

March 1994

Introduction

Metcalf Archaeological Consultants, Inc. (MAC) was contracted by a representative of Coastal Oil & Gas Corporation to conduct a cultural resource investigation of ANR Production Company's proposed Ute #1-26B6 well pad. The proposed well is to be constructed in the NE/NW of Section 26, T2S, R6W, Duchesne County, Utah, on land administered by the Ute Indian Tribe, Fort Duchesne, Utah. The proposed access and utility corridor will start from the east side of another proposed well pad (Ute #1-23B6) and will head southeast for 0.4 miles to the northwest side of this study area. The cultural resource inventory was conducted by MAC archaeologists John M. Scott and Dulaney Barclay on March 21, 1994 with a Ute Tribe Access Permit (Approval Date: 3/21/94). Ute Tribe Energy and Minerals Technician Pat Padia was also present. A ten acre block was surveyed around the proposed drill location and an additional 4.9 acres was surveyed for the access and utility corridor. Two isolated finds (IF 1-26B6-1 and IF 1-26B6-2) were discovered during this study. One of them (IF 1-26B6-1) was found within the ten acre well pad block. It is recommended that the well pad location be moved 50 feet to the northwest to avoid disturbance to the area of this isolated find. Cultural resource clearance is recommended with the stipulation that an Energy and Minerals Technician from the Uintah and Ouray Agency be present during construction. All field notes and maps are on file at the MAC office in Eagle, Colorado.

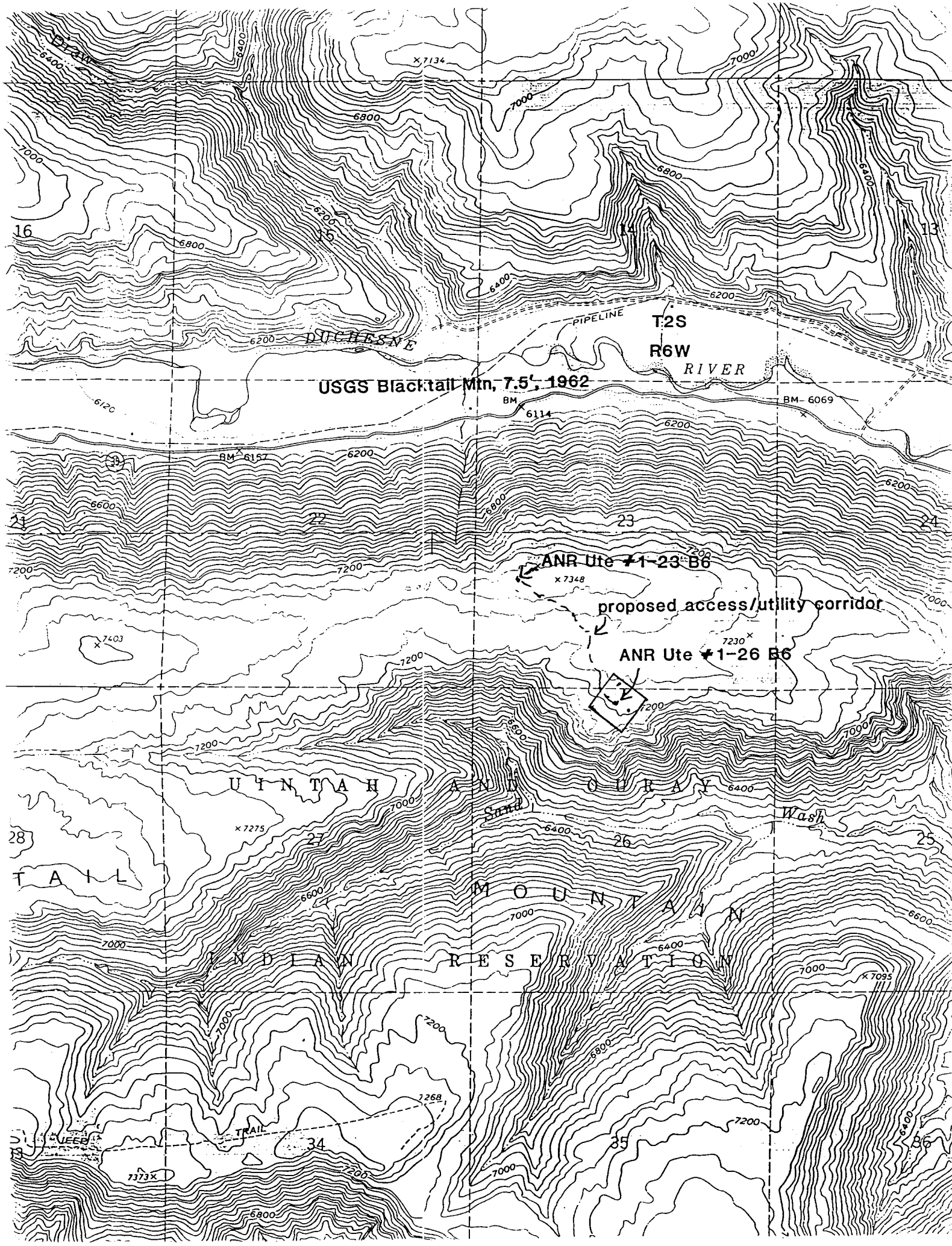
Files Search

A file search was conducted at the Division of State History in Salt Lake City on March 18, 1994 by Lauri Travis of MAC. This search reported surveys and previously recorded sites in the general area of the project. However, none of these previous investigations or sites included portions of the current study area.

Environment

The study area is located near the southern margin of the Uintah Mountains in the Altimont-Bluebell oil and gas field. It is located on Blacktail Mountain one mile south of the Duchesne River. The well pad is staked south of and below the crest of an east-west trending ridge system near its south rim. Sand Wash (an intermittent drainage) is located immediately south and below the rim. The proposed access and utility corridor begins at a proposed well (#1-23B6) and heads southeast for 0.4 miles across terrain very similar to that of the well pad location.

Soil in the area is weakly developed in a tan sand of mixed residual and eolian origin with a spotty mantle of forest debris and litter. Sandstone slabs are sporadically exposed in the area. Several sandstone ledges are along the south side of the proposed well pad.



Vegetation cover is about fifteen to twenty-five percent and allows good soil surface visibility. The vegetation can be characterized as an Upper Sonoran zone dominated by a pinyon-juniper woodland. Prevalent plants include thick pinyon (*Pinus* spp.) and juniper (*Juniperus* spp.) trees with an understory of shrubs, mixed grasses and forbs. Other identified plants were sagebrush (*Artemisia* spp.), mountain mahogany (*Cercocarpus* spp.), Mormon tea (*Ephedra* spp.), prickly pear cactus (*Opuntia* spp.) and ball cactus (*Pediocactus simpsonii*).

Field Methods

A ten acre block centered on the proposed drill location and enclosing its associated well pad area was marked with pin flags. The area was then inspected for cultural resources using parallel pedestrian transects spaced no more than fifteen meters apart. The access/utility corridor was examined using two zig-zag pedestrian transects. These transects covered a total area 50 feet to either side of the centerline, for a 100 foot wide corridor. The length of the corridor surveyed from proposed well pad Ute #1-26B6 to the present study area was approximately 2,150 feet. Thus an additional 4.9 acres were inspected for the access and utility corridor. When cultural resources were encountered their location was marked and the surrounding area thoroughly inspected. Determination of whether the artifacts represented a site or isolated find was made using State of Utah criteria. Once the resource was classified the appropriate forms were filled out and other required recording procedures conducted. The resource's location in relationship to the staked limits of the proposed well pad was determined. Recommendations for adjustments to the well pad were then made to a representative of Uintah Engineering and Land Survey (UELS).

Results

Two prehistoric isolated finds were located during this study. These two isolated finds (IF 1-26B6-1 and IF 1-26B6-2) have been recorded on State of Utah isolated find forms and submitted to the appropriate agencies.

Recommendations

The following stipulations are recommended for the proposed Ute #1-26B6 well pad. The pad should be moved 50 feet to the northwest so that the southeast edge of the pad will not disturb the location of one of the isolated finds. Construction should then be kept within the staked limits especially on the northeast and southeast edges of the proposed well pad to avoid any adverse impact to either of the Isolate Finds (IFs). A Ute Indian Tribe Energy and Minerals technician should be present during construction to ensure that construction impact is held to its staked limits on the northeast and southeast edges. If the above stipulations are complied with cultural resource clearance can be recommended for the ANR Ute #1-26B6.

A Wastewater Permit Application will be filed with the Uintah Basin District Health Department in Duchesne once the drilling contractor has been determined.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/25/94

API NO. ASSIGNED: 43-013-31447

WELL NAME: UTE 1-26 B6
OPERATOR: ANR PRODUCTION COMPANY (N0675)

PROPOSED LOCATION:

NENW 26 - T02S - R06W
SURFACE: 0205-FNL-2485-FWL
BOTTOM: 0205-FNL-2485-FWL
DUCHESNE COUNTY
ALTAMONT FIELD (055)

LEASE TYPE: IND
LEASE NUMBER: 14-20-H62-4614

PROPOSED PRODUCING FORMATION: WSTC

INSPECT LOCATION BY: / /

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

Y Plat
Y Bond: Federal ☒ State ☐ Fee ☐
(Number 962213)
N Potash (Y/N)
N Oil shale (Y/N)
Y Water permit
(Number # 1230)
N RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

____ R649-2-3. Unit: _____
____ R649-3-2. General.
☒ R649-3-3. Exception. *Topography.*
☒ Drilling Unit. *139-8*
Board Cause no: *139-8*
Date: *9-20-72*

COMMENTS: _____

STIPULATIONS: _____

6	5	4	3 ⊕	2 PA WSTC	1	
7	8	9	10	11	12 ●	SOW GR-WS
18	17 ⊕ GR-WS	16	15	14 ⊕ PA	13 ⊕ GR-WS	2 S
19	20	21 ● POW GR-WS	22 ⊕ PA GR-WS	23 DRL 1-23B6 ○	24 ● POW GR-WS	
30	29	28 ● POW GR-WS DRL 2-28B6 ○	27 ● POW GR-WS DRL 2-27B6 ○	26 ○ DRL 1-26B6 DRL 2-26B6 ○	25 ● POW GR-WS	
31	32 ⊕ PA GR-WS	33 ○ DRL 2-33B6 ● POW GR-WS	34 POW GR-WS ●	35 POW GR-WS ●	36 ⊕ PA GR-WS ● POW GR-WS	

R 6 W

UNITED STATES GOVERNMENT
memorandum

DATE: MAY 26 1994

REPLY TO
ATTN OF: Superintendent, Uintah and Ouray Agency

SUBJECT: Concurrence Letter for ANR Production Company
- Ute Tribal 1-26B6, Section 26, T2S-R5W, USB&M

TO: Bureau of Land Management, Vernal District Office
Attention: Mrs. Sally Gardner

RECEIVED
JUN 3 1994

We recommend approval of the Application for Permit to Drill on the Subject well.

Based on available information received on APRIL 11, 1994, we have cleared the proposed location in the following areas of environmental impact.

YES <u>X</u>	NO <u> </u>	Listed threatened or endangered species
YES <u>X</u>	NO <u> </u>	Critical wildlife habitat
YES <u>X</u>	NO <u> </u>	Archaeological or cultural resources
YES <u> </u>	NO <u> </u>	Air quality aspects (to be used only if project is in or adjacent to a Class I area of attainment.)
YES <u> </u>	NO <u> </u>	Other (if necessary)

REMARKS: The Ute Tribe Energy & Minerals Department is recommending the following criteria to be adhered during all phases of construction activities. (Inventory Date: April 4, 1994)

1. That the well pad should be moved 50 feet to the northeast so that the southeast edge of the pad will not disturb the location of three prehistoric isolated finds, namely, a) a single secondary flake and cobble, of the same origin; b) a white chalcedony with a thick white cortex. The flake may or may not have been from the cobble/core. The cobble/core appeared to have been struck 2 or 3 times. c) a single tertiary flake of a tan chert. The source materials found does not appear to be indigenous of the area.
2. Construction should then be kept within the staked limits, especially on the northeast and southeast edge of the intended pad to avoid any impact to either of the other isolated finds.
3. It is also suggested that a Tribal Technician be present to monitor construction activity. This would ensure that construction is restricted to limits of the staked area only.
4. All vehicular traffic, personnel movement, construction and restoration operations should be confined to the area examined, as referenced in report, and to the existing roadways and/or evaluated access routes.
5. All recommendations of the Bureau of Indian Affairs, confined site specific Environmental Analysis report shall be strictly adhered, during and after construction.
6. All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
7. The personnel from the Ute Tribe Energy & Minerals Department should be consulted, should cultural remains from subsurface deposits be exposed during construction work.

Attachment - BIA Environmental Analysis, dated 4/20/94



MINERAL ACCESS AGREEMENT OF INDIAN OWNED LANDS

The purpose of this agreement is to regulate the surface development of Indian Lands which have been leased for oil and gas development. An approved agreement must be obtained prior to the commencement of any surface disturbing activity and will be in effect for the term of the lease and the agreed upon contractual provisions referenced therein, if not revoked under the terms in Item 4 of this agreement.

1. The authorized officer for the Bureau of Indian Affairs in conjunction with the Indian Surface owner and Tribe hereby grants permission to:

ANR Production Company
P.O. Box 749
Denver, CO 80201-0749

To improve and/or construct and maintain a development corridor which may contain and access road, pipelines, powerlines, communication lines and wellpads on the following trust land (reference lease number and legal description):

Lease No. 14-20-H62-4614

Beginning in the N/2 SW/4 of Section 23 through the SE SW of Section 23, into the NE NW and NW NE of Section 26, T2S - R6W, U.S.B. & M.

2. In consideration of the approval of this agreement, the above company agrees to adhere to all lease provisions, A.P.D. stipulations and regulations of the Secretary of the Interior now or hereafter in force relative to such leases.
3. The Company herewith submits an estimated surface damage fee in the amount of \$0.00, for 8.342 acres. Pending Agency appraisal and the Affidavit of Completion.
4. This agreement will remain in effect unless revoked upon thirty (30) days written notice by the Superintendent or the appropriate official, depending upon circumstances.

5. The permittee will submit a certified survey map of the proposed access road and/or wellpad with this permit. The map must adhere to all specifications and requirements of the Branch of Minerals and Mining, Uintah and Ouray Agency, Bureau of Indian Affairs. Upon completion of construction, an Affidavit of Completion will be submitted by the company to certify that the construction completed was in accordance to the specifications certified to on the survey map accompanying this agreement.
6. The Company agrees to furnish a bond in the amount of \$150,000 and to utilize said company's existing Nationwide Oil and Gas Bond No. U-768806 to guarantee performance of this permit.
7. The Company agrees to contact immediately the Bureau of Indian Affairs (BIA) and the Bureau of Land Management (BLM), if cultural resources are discovered during construction or anytime during the course of daily operations.
8. **ADDITIONAL STIPULATIONS**

Signed on this 16 day of May, 1994.

WITNESS:

[Signature]
[Signature]

[Signature]
Randy L. Bartley, Authorized Agent
ANR Production Company
P.O. Box 749
Denver, CO 80201-0794

APPROVED:

[Signature]
Superintendent

MAY 26 1994

5-26-94
Date

Environmental Project Tracking & Progress Sheet

Proposed Project: ANP is Proposing to drill
an oil well
etc 1-2686

Date Recieved by Land Operations: _____ Initialed By: _____

ACTION:	DATE:	COMMENTS/Initial:
ARCH Report Completed	3/94	Metcalfe
Paleontology Report Completed		
Other Assessments (If Needed)		
Onsite Inspection Scheduled	4/11/94	Dale Thomas
Onsite Inspection Completed	4/11/94	Dale Thomas
Draft E.A. Completed	11/8/94	Dale Thomas
E.A. Typed	4/20/94	Dale
SHIPO	4/18/94	Dale Thomas
Environmental Coordinator	4/20/94	Wendy Watson
Superintendent		
FILE: Company/UTEM/ROW/Minerals	APR 21 1994	
<p>COMENTS:</p> <p style="text-align: center;">COPY FOR YOUR INFORMATION</p>		

**COMBINED
SITE SPECIFIC
ENVIRONMENTAL ANALYSIS**

1.0 PROPOSED ACTION

ANR Production Company is proposing to drill a oil well.

2.0 ALTERNATIVE ACTIONS

- A. ALTERNATIVE CONSIDERED: The proposed action is the preferred alternative.
- B. NO ACTION: Under the no action alternative the proposed action would not be implemented.
- C. OTHER: NA

3.0 PERMITTEE/LOCATION

- A. Permittee ANR Production
- B. Date 04-11-94
- C. Well number Ute 1-26B6
- D. Right-of-way _____
- E. Site location NENW Section 26 T 2S R 6W Meridian USB&M

4.0 SITE SPECIFIC SURVEY

A. SITE DESCRIPTION

1. Elevation (feet) 7613
2. Annual precipitation (inches) 4-10 Inches
3. Topography Mountain
4. Soil texture (0 to 6") Sand
5. Estimated infiltration rate:
Slow _____ Moderate x High _____

B. VEGETATION

1. Habitat Type:

_____ Semi-desert shrub _____ Upland Pinion/Juniper
_____ Upland shrub x Mountain Other: _____

4. Observed Threatened & Endangered species: None

5. Potential For Threatened & Endangered species: x Slight _____ Moderate _____ High _____

6. If moderate or high describe: NA
7. Observed Noxious Weeds: 1) None 2) _____ 3) _____ 4) _____

C. AFFECTED ENVIRONMENTAL

Initial survey:

1. Surface damages as a result of the initial survey: _____ yes x no
2. If answer to (1) is yes describe: NA

4.1 WILDLIFE

A. POTENTIAL SITE UTILIZATION

- | | | |
|-------------------|----------------------|---------------------------|
| 1. Big Game | 2. Small Game | 3. Raptor/Bird |
| <u>x</u> Deer | <u>x</u> Rabbit | <u>x</u> Bald eagle |
| <u>x</u> Elk | _____ Pheasant | <u>x</u> Golden eagle |
| _____ Moose | <u>x</u> Dove | <u>x</u> Ferruginous hawk |
| _____ Bear | _____ Sage grouse | _____ Swanson hawk |
| <u>x</u> Antelope | _____ Ruffed grouse | <u>x</u> Redtail hawk |
| _____ | _____ Blue grouse | _____ Perigrine falcon |
| _____ | _____ Chuckar | _____ Prairie falcon |
| | _____ partridge | <u>x</u> Songbird |
| 4. Other | 5. Non-Game Wildlife | |
| _____ Horses | <u>x</u> Reptile | |
| <u>x</u> Cattle | _____ Prairie dog | |
| _____ Sheep | <u>x</u> Rodent | |
| _____ | <u>x</u> Coyote | |
| _____ | <u>x</u> Fox | |

6. Threatened & Endangered Species

a. Observed Threatened & Endangered species:

1) _____ 2) _____ 3) _____

b. Potential for Threatened & Endangered species:

x Slight _____ Moderate _____ High.

c. If moderate or high, describe: NA

4.2 PRESENT SITE USE

A. USAGE

<input checked="" type="checkbox"/> Rangeland	Acres _____	Irrigable land
<input checked="" type="checkbox"/> Woodland	Acres <u>15.4</u>	Non-Irrigable land
_____ Commercial	_____	Floodplain
_____ timber	_____	Wetland
_____ Riparian	Other: _____	NA

4.3 CULTURAL RESOURCES

A. CULTURAL SURVEY

The well site x, access road x, and pipeline right-of-way x have been cleared by a qualified archaeologist/paleontologist. Name & Organization: _____
Metcalf Archaeological Consultants, Inc.

5.0 ENVIRONMENTAL IMPACTS

A. SURFACE ALTERATIONS

1. Access road 12.4 acres
2. Well site 3 acres
3. Right-of-way _____ acres (60' wide access road to cover powerline, pipeline
4. Total disturbed 15.4 acres & road)

B. VEGETATION/LANDSCAPE

1. Production loss (AUM's): _____ year
2. Permanent scar on landscape: _____ Yes x No
3. Potential impacts to Threatened & Endangered species:
_____ Yes x No

C. SOIL/RANGE/WATERSHED

- | | | |
|---|--------------|-------------|
| 1. Increased soil erosion, Wind | <u>x</u> Yes | _____ No |
| 2. Increased soil erosion, Water | <u>x</u> Yes | _____ No |
| 4. Increased salt loading potential | <u>x</u> Yes | _____ No |
| 5. Reduced rangeland | <u>x</u> Yes | _____ No |
| 6. Reduced irrigated cropland | _____ Yes | <u>x</u> No |
| 7. Increased run-off in watershed | <u>x</u> Yes | _____ No |
| 8. Potential point source water pollution | <u>x</u> Yes | _____ No |
| 9. If answer to (8) is <u>Yes</u> Describe: | _____ | |

D. WILDLIFE/THREATENED & ENDANGERED SPECIES

1. Decreased wildlife habitat/grazing x Yes ___ No
2. Potential increase in wildlife disturbance and poaching x Yes. ___ No
3. Potential impacts to Threatened Endangered species: ___ Yes x No
4. Potential threat to critical wild life habitat ___ Yes x No
 - a. If answer to (4) is yes, describe:

6.0 MITIGATION STIPULATIONS

A. VEGETATION/LANDSCAPE

1. Before the site is abandoned the company will be required to restore the well pad, access roads, and pipeline rights-of-way to near their original state. The disturbed area will be reseeded with desirable perennial vegetation.
2. Noxious weeds will be controlled on all well sites and rights-of-way. If noxious weeds spread from the well sites or rights-of-way onto adjoining land, the company will also be responsible for their control.
3. After the pipeline has been constructed and the right-of-way re-seeded, vehicular travel over the right-of-way will be limited to that which is absolutely necessary for the maintenance of the pipeline.
4. Surface pipelines will be constructed by using the following procedures:
 - A) Staging areas will be set up along roads or wellsites. The pipeline will be welded in place at the staging area.
 - B) As the pipeline is welded it will be pulled to the next staging area by a suitable piece of equipment. Except for unusual conditions only on trip across the right-of-way with equipment is all that will be required.
5. Paleontology - To protect paleontology resources, surface pipeline construction will not occur when the soil is muddy. It will occur when the soil is either frozen, or dry. Rip rap on wash to prevent wash from eroding NE corner of pad.

6. Cultural Resources:

- A) All vehicular traffic, personnel movement, construction and restoration operations should be confined to the flagged areas and corridors, and to the existing roadways and access roads.
- B) All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
- C) The Ute Tribal Cultural Rights & Protection Office, the Ute Tribal Energy & Minerals Office or the Bureau of Indian Affairs should be consulted should cultural remains from subsurface deposits be exposed during construction work or if the need arises to relocate or otherwise alter the location of the exploration area.

B. SOILS/RANGE/WATERSHEDS

1. Soil erosion will be mitigated by reseeding all disturbed areas and by installing the following practices:

- a. Diversion ditches ☒ Yes ☐ No feet
- c. Desilting ponds ☐ Yes ☒ No number
- d. Drop structure ☐ Yes ☒ No number
- e. Gully plugs ☐ Yes ☒ No number
- f. Low water crossing ☐ Yes ☒ No number
- g. Culverts ☐ Yes ☒ No number
- h. Water bars ☐ Yes ☒ No number
- i. Fencing ☐ Yes ☒ No rods
- j. Cattleguards ☐ Yes ☒ No number
- k. Other, describe: Water will be diverted to the east of the location.

2. Salt and pollution loading of the soil and geological formations will be mitigated by requiring the oil company to:

- a. Line reserve pits with impervious synthetic liners ☒ yes ☐ no
- b. Use a closed drilling system ☐ yes ☒ no
 - 1. Reason(s):
- c. Use a closed production system ☒ yes ☐ no
 - 1. Reason(s):

- d. Use an unlined emergency pit ☒ yes ☐ no
1. Use a synthetic liner ☒ yes ☐ no
2. Use a man made container ☒ yes ☐ no
3. Reason(s): _____

e. Production water, oil, and other by-products will not be applied to roads or well pads for the control of dust or weeds. Indiscriminate dumping of oil field by-products on tribal lands will not be allowed.

3. When the well is plugged and/or abandoned the gravel and road base hauled in to construct the well pad and access roads will be:

- a. Hauled off ☐ yes ☒ no
b. Incorporated into the soil ☒ yes ☐ no

C. WILDLIFE/VEGETATION/THREATENED & ENDANGERED SPECIES

1. Upon Identification of Threatened & Endangered species, the following measures will be applied: NA
2. Modifications to surface use will be implemented to protect the specific wildlife species encountered.
3. Drilling will take place on months other than March, April, May & June.

D. CULTURAL RESOURCES

All well sites, access roads, and pipeline rights-of-way will be cleared by a qualified archaeologist/paleontologist so that cultural sites will be avoided or salvaged.

7.0 UNAVOIDABLE ADVERSE IMPACTS

A. SURFACE ALTERATIONS

None of the adverse impacts listed in 5.0 above can be avoided in a practical manner except those which are mitigated in item 6.0 above and those specified in BLM's 13 point surface use plan.

B. RELATIONSHIP BETWEEN SHORT-TERM USE OF THE ENVIRONMENT VS LONG TERM PRODUCTIVITY.

1. Short Term: (Estimated 20 years) A total loss of production on the land and the associated environmental impacts will continue to influence the surrounding area for the productive life of the well.

2. Long Term: Standard policies provide for rehabilitation of the well sites and access roads. After the land is rehabilitated, it is not expected to return to its original productive capability. Normally, there will be a permanent scar left on the landscape.

C. IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT

Oil and Gas are non-renewable resources, once they have been removed they can never be replaced.

8.0 CUMULATIVE IMPACTS

A. FULL DEVELOPMENT

Each additional well drilled for development increases the soil erosion potential, reduces wildlife habitat and grazing, increases potential soil and geologic pollution resulting from salt loading, reduces the soil's potential to recover, and increases the potential of water pollution from produced waters and hydro-carbons. Therefore, strict conformance with the mitigation measures and recommendations in this document is emphasized to minimize the adverse environmental impacts.

9.0 NEPA COMPLIANCE

A. RESEARCH/DOCUMENTATION

Based on available information, 04-11-94, the proposed location in the following areas of environmental impacts has been cleared:

☒ Yes ☐ No Listed Threatened & Endangered species
☒ Yes ☐ No Critical wildlife habitat
☒ Yes ☐ No Historical and cultural resources

10.0 REMARKS

A. SURFACE PROTECTION/REHABILITATION

All essential surface protection and rehabilitation requirements are specified above.

11.0 RECOMMENDATIONS

A. APPROVAL/DISAPPROVAL

We recommend approval ☒ disapproval ☐ of the proposed action as outlined in item 1.0 above.

Date

4/20/94

Dale Thomas
Representative - BIA Land Operations,
Uintah and Ouray Agency

12.0 REVIEWING OFFICIAL

A. CONCURRENCE

We concur with the approval X disapproval ____ of the proposed action as outlined in item 1.0 above.

Date

April 20, 1994

Dennis A. Montgomery
Environmental Coordinator,
Uintah and Ouray Agency

13.0 DECLARATION

A. APPROVAL

It has been determined that the proposed action is not a federal action significantly affecting the quality of the environment as it would require the preparation of an environmental impact statement in accordance with Section 102 (2) (c) of the National Environmental Policy Act of 1969 (42 USC 4331) (2) (C).

Date

April 21, 1994

Vincent M. Scheldt, Acting
Superintendent,
Uintah and Ouray Agency

14.0 CONSULTATION

A. REPRESENTATIVES/ORGANIZATION

1. Dale Thomas, Bureau of Indian Affairs
2. Pat Padia, Ute Tribe Energy & Minerals
3. Ralph Brown, Bureau of Land Management
4. Clay Einerson, ANR Production Company
5. Robert Kay, and Lanny Taylor, Uintah Engineering
6. Lisa Smith, Permitco



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

June 10, 1994

ANR Production Company
600 - 17th Street, Suite 800 S
Denver, Colorado 80201-0749

Re: Ute #1-26B6 Well, 205' FNL, 2485' FWL, NE NW, Sec. 26, T. 2 S., R. 6 W.,
Duchesne County, Utah

Gentlemen:

Pursuant to the order issued by the Board of Oil, Gas and Mining in Cause No. 139-8 dated September 20, 1972, Utah Admin. R. 649-3-3, Location and Siting of Wells and and Utah Admin. R.649-3-4, Permitting of Wells to be Drilled, Deepened or Plugged-Back, approval to drill the referenced well is hereby granted.

In addition, the following specific actions are necessary to fully comply with this approval:

1. Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules.
2. Notification to the Division within 24 hours after drilling operations commence.
3. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
4. Submittal of the Report of Water Encountered During Drilling, Form 7.
5. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or K. Michael Hebertson, Reclamation Specialist, (Home) (801)269-9212.
6. Compliance with the requirements of Utah Admin. R. 649-3-20, Gas Flaring or Venting, if the well is completed for production.



Page 2
ANR Production Company
Ute #1-26B6 Well
June 10, 1994

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-013-31447.

Sincerely,



R.J. Firth
Associate Director

ldc
Enclosures
cc: Duchesne County Assessor
Bureau of Land Management, Vernal District Office
WOI1

CONFIDENTIAL - TIGHT HOLES
SUBMIT IN TRIPLE
(Other instructions
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUN 15 1994

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. #14-20-H62-4614
1b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME Ute Tribe
2. NAME OF OPERATOR ANR Production Company		7. UNIT AGREEMENT NAME N/A
3. ADDRESS OF OPERATOR 303/573-4476 600-17th Street, Suite 800 S 303/452-8888 13585 Jackson Drive PERMITCO INC. - Agent Denver, CO 80241		8. FARM OR LEASE NAME Ute
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At Surface 205' FNL and 2485' FWL At proposed Prod. Zone NE NW Sec. 26, T2S - R6W		9. WELL NO. #1-26 B6
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 23.5 miles northwest of Duchesne, Utah		10. FIELD AND POOL OR WILDCAT Altamont
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 205'	16. NO. OF ACRES IN LEASE 3640	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 26, T2S - R6W
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. None	19. PROPOSED DEPTH 14,300'	12. COUNTY OR PARISH Duchesne
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7208' GR	20. ROTARY OR CABLE TOOLS Rotary	13. STATE Utah
22. APPROX. DATE WORK WILL START* Upon approval		
23. PROPOSED CASING AND CEMENTING PROGRAM		
SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT
17-1/2"	13-3/8" K-55	54.5# ST&C
12-1/4"	9-5/8" S-95	40.0# BT&C
8-3/4"	7" S-95	26.0# LT&C
8-3/4"	5-1/2" S-95	23.0# LT&C
		SETTING DEPTH
		0-200'
		0-7400'
		7200-10,700'
		10700'-14300'
		QUANTITY OF CEMENT
		280 sx Type "V" AG
		4658 CF Premium Plus
		1906 CF Premium Plus (See Attached)

ANR Production Company proposes to drill a well to a proposed T.D. of 14300' (Maximum 14500') to test the Wasatch formation. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM, BIA, & State of Utah requirements. See Onshore Order No. 1 attached.

Please be advised that ANR Production Company is considered to be the Operator of the above mentioned well. ANR agrees to be responsible under the terms of the lease for the operations conducted upon the leased lands. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by ANR Production Company under their Nationwide Bond #962213.

This location was staked at non-standard footages in accordance with the rules of the Utah Div. of Oil, Gas & Mining. This location was staked based on topography. Since ANR Production is the leaseholder or all acreage within a 1/4 mile radius, we are requesting that the State grant administrative approval to this exception location.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] CONSULTANT FOR: ANR Production Co. DATE 04/22/94
(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE
APPROVED BY [Signature] TITLE ASSISTANT DISTRICT MANAGER MINERALS DATE JUN 14 1994
CONDITIONS OF APPROVAL, IF ANY:

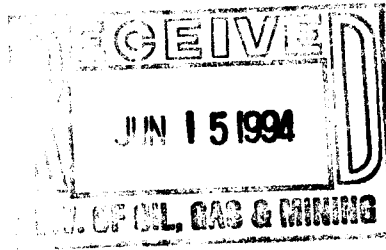
cc: Utah Division of Oil, Gas & Mining

NOTICE OF APPROVAL
*See Instructions On Reverse Side

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

114080-4m-095



COAs Page 1 of 9
Well No. Ute Tribe 1-26B6

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: ANR Production Company

Well Name & Number: Ute Tribal 1-26B6

API Number: 43-013-31447

Lease Number: 14-20-H62-4614

Location: NENW Sec. 26 T. 2S R. 6W

NOTIFICATION REQUIREMENTS

- | | | |
|---------------------------------|---|---|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig. |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of **Onshore Oil and Gas Order No. 2 for a 5M, triple ram**, system for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. In addition to the aforementioned BOP system, a minimum of a **2M BOP system** shall installed prior to drilling out the 13 3/8 in. conductor and shall remain in use until the surface casing is set. The 2M system shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for a 2M system. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

The Vernal District Office shall be notified, at least 24 hours prior to initiating the pressure tests, in order to have a BLM representative on location during pressure testing.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

The surface casing **shall** be cemented back to surface either during the primary cement job or by remedial cementing.

In addition, to the cementing proposal for the surface casing, a minimum of 200 ft. of Class G neat cement shall be placed from 200 ft. to surface in the 9 5/8 in. X 13 3/8 in. annulus.

The Vernal District Office shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

Prior to drilling out the surface casing shoe a Cement Bond Log (CBL) will be run from shoe to surface to determine the top of cement. Approval will not be given to drill out until the Authorized Officer has inspected the log and determined if remedial cementing is required. Submit a field copy of the CBL to this office.

A cement bond log (CBL) shall be utilized to determine the top of cement (TOC) and bond quality for production liner. The CBL shall be run from total depth to the liner top. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours prior to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and within 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (801) 789-7077
Petroleum Engineer

Wayne Bankert (801) 789-4170
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM

Fresh water for drilling may be obtained from the Jasper Pike Canal through the Ute Tribe, Ute Tribal Water Right #1230. However, before water could be obtained from the Duchesne City culinary water system, a separate BLM approval would have to be obtained, based on a BLM water depletion consultation with the U.S. Fish and Wildlife Service under Section 7 of the Endangered Species Act.

The reserve pit shall be lined.

If a plastic nylon reinforced liner is used, it will be a minimum of 12 mil thickness with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit.

The reserve pit will be located on the: north corner of the well pad.

The flare pit will be located on the northeast side of the well pad.

A. VEGETATION/LANDSCAPE

1. Before the site is abandoned, the company will be required to restore the well pad, access road, and pipeline right-of-way to near their original state. The disturbed area will be reseeded with desirable perennial vegetation.
2. Noxious weeds will be controlled on all well sites and rights-of-way. If noxious weeds spread from the well sites or rights-of-way onto adjoining land, the company will also be responsible for their control.
3. After the pipeline has been constructed and the right-of-way re-seeded, vehicular travel over the right-of-way will be limited to that which is absolutely necessary for the maintenance of the pipeline.
4. Surface pipelines will be constructed by using the following procedures:
 - a. Staging areas will be set up along roads or well sites. The pipeline will be welded in place at the staging area.
 - b. As the pipeline is welded, it will be pulled to the next staging area by a suitable piece of equipment. Except for unusual conditions, only one trip across the right-of-way with equipment is all that will be required.
5. Paleontology - To protect paleontology resources, surface pipeline construction will not occur when the soil is muddy. It will occur when the soil is either frozen or dry. Rip rap on wash to prevent wash from eroding NE corner of pad.

6. Cultural Resources:

- A. All vehicular traffic, personnel movement, construction, and restoration operations should be confined to the flagged areas and corridors, and to the existing roadways and access roads.
- B. All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
- C. The Ute Tribal Cultural Rights and Protection Office, the Ute Tribal Energy and Minerals Office, or the Bureau of Indian Affairs should be consulted should cultural remains from subsurface deposits be exposed during construction work, or if the need arises to relocate or other wise alter the location of the exploration area.

Salt and pollution loading of the soil and geological formations will be mitigated by requiring the oil company to:

- a. Line reserve pits with impervious synthetic liners.
- b. Use a closed production system.

Production water, oil, and other by-products will not be applied to roads or well pads for the control of dust or weeds. Indiscriminate dumping of oil field by-products on tribal lands will not be allowed.

When the well is plugged and/or abandoned, the gravel and road base hauled in to construct the well pad and access roads will be incorporated into the soil.

All well sites, access roads, and pipeline rights-of-way will be cleared by a qualified archaeologist/paleontologist so that cultural sites will be avoided or salvaged.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing: <i>BH</i>	
1	LEC-7-57
2	DTS-8-FILE
3	<i>UAD</i>
4	<i>RJL</i>
5	<i>DEC</i>
6	FILM ✓

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- | | |
|--|--|
| <input checked="" type="checkbox"/> Change of Operator (well sold) | <input type="checkbox"/> Designation of Agent |
| <input type="checkbox"/> Designation of Operator | <input type="checkbox"/> Operator Name Change Only |

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 12-27-95)

TO (new operator)	<u>COASTAL OIL & GAS CORP</u>	FROM (former operator)	<u>ANR PRODUCTION CO INC</u>
(address)	<u>PO BOX 749</u>	(address)	<u>PO BOX 749</u>
	<u>DENVER CO 80201-0749</u>		<u>DENVER CO 80201-0749</u>
phone (303)	<u>572-1121</u>	phone (303)	<u>572-1121</u>
account no.	<u>N 0230 (B)</u>	account no.	<u>N0675</u>

Well(s) (attach additional page if needed):

Name: **SEE ATTACHED**	API: <u>D13-3144</u>	Entity: _____	Sec. _____	Twp. _____	Rng. _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp. _____	Rng. _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp. _____	Rng. _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp. _____	Rng. _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp. _____	Rng. _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp. _____	Rng. _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp. _____	Rng. _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

- See* 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Rec'd 3-8-96)*
- See* 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Rec'd 3-8-96)*
- N/A* 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) ____ If yes, show company file number: _____.
- N/A* 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- See* 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(3-11-96) (4-3-96/Indian) (4-15-96/Fee C.A.'s) (8-20-96/Indian C.A.'s)*
- See* 6. Cardex file has been updated for each well listed above.
- See* 7. Well file labels have been updated for each well listed above.
- See* 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(3-11-96)*
- See* 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- Yes 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- N/A 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only) *Surety No. U605382-1 (\$80,000) United Pacific Ins. Co.*

- Yes 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
2. A copy of this form has been placed in the new and former operators' bond files. ** Upon Compl. of routing.*
- Yes 3. The former operator has requested a release of liability from their bond (yes/no) no. Today's date March 11, 1996. If yes, division response was made by letter dated _____ 19____. *(Same Bond as Coastal)*

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- N/A 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated _____ 19____, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
2. Copies of documents have been sent to State Lands for changes involving State leases.

FILMING

- Yes 1. All attachments to this form have been microfilmed. Date: 1-7 1997.

FILING

1. Copies of all attachments to this form have been filed in each well file.
2. The original of this form and the original attachments have been filed in the Operator Change file.

COMMENTS

9/60311 This change involves Fee lease / non C.A. wells ~~only~~ in State lease wells.
~~C.A. & Indian lease wells will be handled on separate change.~~

9/60412 BLM / SL Appr. C.A.'s 4-11-96.

9/60820 BIA Appr. CA's 8-16-96.

9/60329 BIA Appr. Indian Lease wells 3-26-96.

WE71/34-35

** 9/61107 Lemicy 2-582/43013-30784 under review at this time; no chg. yet!*

*** TITLE HOLE ***
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 19 1995

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or
Use "APPLICATION FOR PERMIT" - for such proposals

Lease Designation and Serial No.
14-20-H62-4614
If Indian, Allottee or Tribe Name

Ute

If Unit or CA, Agreement Designation
N/A

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

ANR Production Company

3. Address and Telephone No.

P. O. Box 749, Denver, CO 80201-0749

(303) 573-4476

4. Location of Well (Footage, Sec., T., R., M., Or Survey Description)

205' FNL & 2485' FWL

NE NW Section 26-T2S-R6W

8. Well Name and No.

Ute #1-26B6

9. API Well No.

43-013-31447

10. Field and Pool, Or Exploratory Area

Altamont

11. County or Parish, State

Duchesne County, UT

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other APD Extension
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markets and zones pertinent to this work.)*

The subject APD was approved in June 1994. Due to continuing economic evaluation, ANR Production Company will not be able to spud this well prior to the expiration date.

Operator therefore requests a 1 year extension of the subject APD.

Also, this well was inadvertently permitted as a gas well when it should have been permitted as an oil well.

Thank you for your cooperation.

14. I hereby certify that the foregoing is true and correct

Signed

N.O. Shiflett
N.O. Shiflett

Title District Drilling Manager

Date

05/17/95

(This space for Federal or BLM use only)

APPROVED BY

Conditions of approval, if any:

Matthew

Title

Petroleum Engineer

Date

5/22/95

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

FORM APPROVED
Budget Bureau No. 1004-0135

Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERM T" - for such proposals

5. Lease Designation and Serial No.

See Attached

6. If Indian, Allottee or Tribe Name

See Attached

7. If Unit or CA, Agreement Designation

See Attached

8. Well Name and No.

See Attached

9. API Well No.

See Attached

10. Field and Pool, Or Exploratory Area

See Attached

11. County or Parish, State

County: See Attached

State: Utah

SUBMIT IN TRIPLICATE

1. Type of Well



Oil Well



Gas Well



Other

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone No.

P. O. Box 749, Denver, CO 80201-0749

(303) 573-4455

4. Location of Well (Footage, Sec., T., R., M., Or Survey Description)

See Attached

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION



Notice of Intent



Subsequent Report



Final Abandonment Notice

TYPE OF ACTION



Abandonment



Recompletion



Plugging Back



Casing Repair



Altering Casing

Other Change of Operator

Change of Plans



New Construction



Non-Routine Fracturing



Water Shut-Off



Conversion to Injection



Dispose Water

(NOTE: Report results of multiple completion on Completion or Recompletion Report and Log to

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is direction drilled, give subsurface locations and measured and true vertical depths for all markets and zones pertinent to this work.)

Please be advised that effective December 27, 1995, ANR Production Company relinquished and Coastal Oil & Gas Corporation assumed operations for the subject wells (see attached). Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Coastal Oil & Gas Corporation under the following bonds: State of Utah #102103, BLM Nationwide Bond #U605382-9, and BIA Nationwide Bond #11-40-66A. Coastal Oil & Gas Corporation, as operator, agrees to be responsible under the terms and conditions of the leases for the operations conducted upon leased lands.

Bonnie Carson
MINERAL & ENERGY
SIA, U.S.G. (FBI)
Signed by *Darryl Dandine*
Bonnie Carson, Sr. Environmental & Safety Analyst
ANR Production Company

RECEIVED
MAR 07 1996

14. I hereby certify that the foregoing is true and correct

Signed

Sheila Bremer
Sheila Bremer

Coastal Oil & Gas Corporation

Title Environmental & Safety Analyst Date

03/07/96

(This space for Federal or State office use)

APPROVED BY

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side


Well Name & No.	API No.	Lease Designation & Serial Number	If Indian, Allottee or Tribe Name	CA No.	LOCATION OF WELL		Field	County
					Footages	Section, Township & Range		
Ute 1-25A3	43-013-30370 ✓	14-20-H62-1802	Ute	N/A	1727' FNL & 1784' FEL	SWNE, 25-1S-3W	Bluebell	Duchesne
Ute 1-26A3	43-013-30348 ✓	14-20-H62-1803	Ute	N/A	1869' FNL & 1731' FWL	SENE, 26-1S-3W	Bluebell	Duchesne
Ute 1-31A2	43-013-30401 ✓	14-20-H62-1801	Ute	N/A	2246' FSL & 2270' FWL	NESW, 31-1S-2W	Bluebell	Duchesne
Ute 1-32Z2	43-013-30379 ✓	14-20-H62-1702	Ute	N/A	1484' FNL & 2554' FWL	SENE, 32-1N-2W	Bluebell	Duchesne
Ute 1-36B6	43-013-30502 ✓	14-20-H62-2532	Ute	N/A	1212' FSL & 487' FEL	SESE, 36-2S-6W	Altamont	Duchesne
Ute 1-6B2	43-013-30349 ✓	14-20-H62-1807	Ute	N/A	2052' FSL & 1865' FEL	NWSE, 6-2S-2W	Bluebell	Duchesne
Ute 2-22B5	43-013-31122 ✓	14-20-H62-2509	Ute	N/A	737' FSL & 1275' FWL	SWSW, 22-2S-5W	Altamont	Duchesne
Ute 2-25A3	43-013-31343 ✓	14-20-H62-1802	Ute	N/A	2183' FSL & 1342' FWL	NESW, 25-1S-3W	Bluebell	Duchesne
Ute 2-26A3	43-013-31340 ✓	14-20-H62-1803	Ute	N/A	700' FSL & 700' FWL	SWSW, 26-1S-3W	Bluebell	Duchesne
Ute 2-27B6	43-013-31449 ✓	14-20-H62-4631	Ute	N/A	1727' FNL & 1904' FEL	SWNE, 27-2S-6W	Altamont	Duchesne
Ute 2-28B6	43-013-31434 ✓	14-20-H62-4622	Ute	N/A	1945' FSL & 1533' FEL	NWSE, 28-2S-6W	Altamont	Duchesne
Ute 2-31A2	43-013-31139 ✓	14-20-H62-1801	Ute	N/A	1012' FNL & 1107' FEL	NENE, 31-1S-2W	Bluebell	Duchesne
Ute 2-33B6	43-013-31445 ✓	14-20-H62-2493	Ute	N/A	1796' FNL & 2541' FEL	SWNE, 33-2S-6W	Altamont	Duchesne
Ute 2-35A3	43-013-31292 ✓	14-20-H62-1804	Ute	N/A	660' FNL & 660' FEL	NENE, 35-1S-3W	Bluebell	Duchesne
Ute 2-6B2	43-013-31140 ✓	14-20-H62-1807	Ute	N/A	949' FNL & 1001' FWL	NWNW, 6-2S-2W	Bluebell	Duchesne
Ute 3-35A3	43-013-31365 ✓	14-20-H62-1804	Ute	N/A	1632' FNL & 660' FWL	SWNW, 35-1S-3W	Bluebell	Duchesne
Ute Tribal 1-27B6	43-013-30517 ✓	14-20-H62-4631	Ute	N/A	2312' FNL & 1058' FWL	SWNW, 27-2S-6W	Altamont	Duchesne
Ute Tribal 1-28B6	43-013-30510 ✓	14-20-H62-4622	Ute	N/A	860' FNL & 2381' FEL	NWNE, 28-2S-6W	Altamont	Duchesne
Ute Tribal 1-33B6	43-013-30441 ✓	14-20-H62-2493	Ute	N/A	350' FSL & 2400' FEL	SWSE, 33-2S-6W	Altamont	Duchesne
Ute Tribal 1-35B6	43-013-30507 ✓	14-20-H62-4632	Ute	N/A	1248' FEL & 1350' FSL	NESE, 35-2S-6W	Altamont	Duchesne
OIL/GAS WELLS PERMITTED - NOT DRILLED								
Ute 1-16B6	43-013-31524 ✓	14-20-H62-4647	Ute	N/A	2424' FNL & 1590' FEL	SWNE, 16-2S-6W	Altamont	Duchesne
Ute 1-23B6	43-013-31446 ✓	14-20-H62-4614	Ute	N/A	1894' FSL & 735' FWL	NWSW, 23-2S-6W	Altamont	Duchesne
Ute 1-26B6	43-013-31447 ✓	14-20-H62-4614	Ute	N/A	205' FNL & 2485' FWL	NENW, 26-2S-6W	Altamont	Duchesne
Ute 2-26B6	43-013-31448 ✓	14-20-H62-4614	Ute	N/A	663' FSL & 697' FWL	SWSW, 26-2S-6W	Altamont	Duchesne

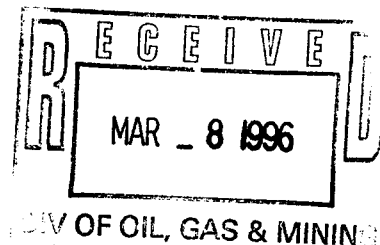
SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial Number: See Attached
Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.		6. If Indian, Allottee or Tribe Name: See Attached
1. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER: _____		7. Unit Agreement Name: See Attached
2. Name of Operator: Coastal Oil & Gas Corporation		8. Well Name and Number: See Attached
3. Address and Telephone Number: P.O. Box 749, Denver, CO 80201-0749 (303) 573-4455		9. API Well Number: See Attached
4. Location of Well Footages: See Attached County: See Attached QQ, Sec., T., R., M.: See Attached State: Utah		10. Field and Pool, or Wildcat: See Attached

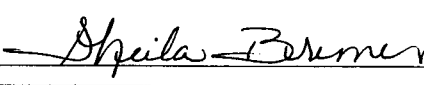
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	
<p style="text-align: center;">NOTICE OF INTENT (Submit In Duplicate)</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____ </div> <div style="width: 48%;"> <input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recompletion <input type="checkbox"/> Perforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off </div> </div> <p>Approximate date work will start _____</p>	<p style="text-align: center;">SUBSEQUENT REPORT (Submit Original Form Only)</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Abandon * <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input checked="" type="checkbox"/> Other <u>Change of Operator</u> </div> <div style="width: 48%;"> <input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Perforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off </div> </div> <p>Date of work completion _____</p> <p><small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.</small></p> <p><small>* Must be accompanied by a cement verification report.</small></p>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Please be advised that effective December 27, 1995, ANR Production Company relinquished and Coastal Oil & Gas Corporation assumed operations for the subject wells (see attached). Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Coastal Oil & Gas Corporation under the following bonds: State of Utah #102103, BLM Nationwide Bond #U605382-9, and BIA Nationwide Bond #11-40-66A. Coastal Oil & Gas Corporation, as operator, agrees to be responsible under the terms and conditions of the leases for the operations conducted upon leased lands.


 Bonnie Carson, Sr. Environmental & Safety Analyst
 ANR Production Company



13. Name & Signature: 	Sheila Bremer Environmental & Safety Analyst Title: <u>Coastal Oil & Gas Corporation</u> Date: <u>03/07/96</u>
--	--

(This space for State use only)

Well Name & No.	API No.	Lease Designation & Serial Number	If Indian, Allottee or Tribe Name	CA No.	LOCATION OF WELL		Field	County
					Footages	Section, Township & Range		
Ute 1-31A2	43-013-30401	14-20-H62-1801 1925	Ute	N/A	2246' FSL & 2270' FWL	NESW, 31-1S-2W	Bluebell	Duchesne
Ute 1-32Z2	43-013-30379	14-20-H62-1702 1915	Ute	N/A	1484' FNL & 2554' FWL	SENE, 32-1N-2W	Bluebell	Duchesne
Ute 1-36B6	43-013-30502	14-20-H62-2532 1940	Ute	N/A	1212' FSL & 487' FEL	SESE, 36-2S-6W	Altamont	Duchesne
Ute 1-6B2	43-013-30349	14-20-H62-1807 1895	Ute	N/A	2052' FSL & 1865' FEL	NWSE, 6-2S-2W	Bluebell	Duchesne
Ute 2-22B5	43-013-31122	14-20-H62-2509 10453	Ute	N/A	737' FSL & 1275' FWL	SWSW, 22-2S-5W	Altamont	Duchesne
Ute 2-25A3	43-013-31343	14-20-H62-1802 11361	Ute	N/A	2183' FSL & 1342' FWL	NESW, 25-1S-3W	Bluebell	Duchesne
Ute 2-26A3	43-013-31340	14-20-H62-1803 11349	Ute	N/A	700' FSL & 700' FWL	SWSW, 26-1S-3W	Bluebell	Duchesne
Ute 2-27B6	43-013-31449	14-20-H62-4631 11620	Ute	N/A	1727' FNL & 1904' FEL	SWNE, 27-2S-6W	Altamont	Duchesne
Ute 2-28B6	43-013-31434	14-20-H62-4622 11624	Ute	N/A	1945' FSL & 1533' FEL	NWSE, 28-2S-6W	Altamont	Duchesne
Ute 2-31A2	43-013-31139	14-20-H62-1801 10458	Ute	N/A	1012' FNL & 1107' FEL	NENE, 31-1S-2W	Bluebell	Duchesne
Ute 2-33B6	43-013-31445	14-20-H62-2493 11691	Ute	N/A	1796' FNL & 2541' FEL	SWNE, 33-2S-6W	Altamont	Duchesne
Ute 2-35A3	43-013-31292	14-20-H62-1804 11222	Ute	N/A	660' FNL & 660' FEL	NENE, 35-1S-3W	Bluebell	Duchesne
Ute 2-6B2	43-013-31140	14-20-H62-1807 11190	Ute	N/A	949' FNL & 1001' FWL	NWNW, 6-2S-2W	Bluebell	Duchesne
Ute 3-35A3	43-013-31365	14-20-H62-1804 11454	Ute	N/A	1632' FNL & 660' FWL	SWNW, 35-1S-3W	Bluebell	Duchesne
Ute Tribal 1-27B6	43-013-30517	14-20-H62-4631 11660	Ute	N/A	2312' FNL & 1058' FWL	SWNW, 27-2S-6W	Altamont	Duchesne
Ute Tribal 1-28B6	43-013-30510	14-20-H62-4622 11665	Ute	N/A	860' FNL & 2381' FEL	NWNE, 28-2S-6W	Altamont	Duchesne
Ute Tribal 1-33B6	43-013-30441	14-20-H62-2493 1230	Ute	N/A	350' FSL & 2400' FEL	SWSE, 33-2S-6W	Altamont	Duchesne
Ute Tribal 1-35B6	43-013-30507	14-20-H62-4632 2335	Ute	N/A	1248' FEL & 1350' FSL	NESE, 35-2S-6W	Altamont	Duchesne
OIL/GAS WELLS PERMITTED - NOT DRILLED								
Ute 1-16B6	43-013-31524	14-20-H62-4647 99999	Ute	N/A	2424' FNL & 1590' FEL	SWNE, 16-2S-6W	Altamont	Duchesne
Ute 1-23B6	43-013-31446	14-20-H62-4614 99999	Ute	N/A	1894' FSL & 735' FWL	NWSW, 23-2S-6W	Altamont	Duchesne
→ Ute 1-26B6	43-013-31447	14-20-H62-4614 99999	Ute	N/A	205' FNL & 2485' FWL	NENW, 26-2S-6W	Altamont	Duchesne
Ute 2-26B6	43-013-31448	14-20-H62-4614 99999	Ute	N/A	663' FSL & 697' FWL	SWSW, 26-2S-6W	Altamont	Duchesne
SALT WATER DISPOSAL WELLS								
Lake Fork 2-23B4 SWD	43-013-30038	Patented 1970	N/A	N/A	1985' FNL & 2131' FEL	SWNE, 23-2S-4W	Altamont	Duchesne
LDS Church 2-27B5 SWD	43-013-30340	Fee 99990	N/A	N/A	551' FSL & 2556' FEL	SWSE, 27-2S-4W	Altamont	Duchesne
Ehrich 2-11B5 SWD	43-013-30391	Fee 99990	N/A	N/A	1983' FSL & 1443' FWL	NESW, 11-2S-5W	Altamont	Duchesne
Hanson 2-4B3 SWD	43-013-30337	Fee 99990	N/A	N/A	641' FSL & 1988' FWL	SESW, 4-2S-3W	Altamont	Duchesne
Shell 2-27A4 SWD	43-013-30266	Fee 99990	N/A	96108 N/A	58' FSL & 1186' FWL	SWSW, 27-1S-4W	Altamont	Duchesne
Tew 1-9B5 SWD	43-013-30121	Patented 1675	N/A	N/A	2334' FNL & 1201' FEL	SENE, 9-2S-5W	Altamont	Duchesne

COASTAL

memorandum

DATE: March 26, 1996

REPLY TO
ATTN OF:

Superintendent, Uintah and Ouray Agency

SUBJECT:

Change of Operator

TO:

Bureau of Land Management, Vernal District Office
Attention: Sally Gardiner, Division of Minerals and Mining

We have received copies of Sundry Notices and Reports on Wells (Form 3160-5), requiring BIA Action, informing this office of a change of operator for the following wells:

OPERATOR - FROM: ANR PRODUCTION COMPANY

TO: COASTAL OIL & GAS CORPORATION

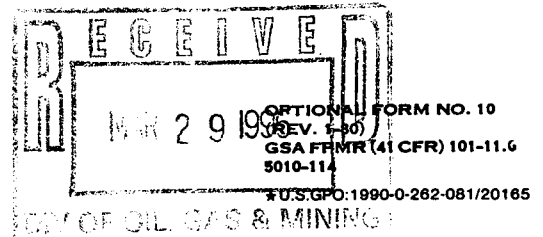
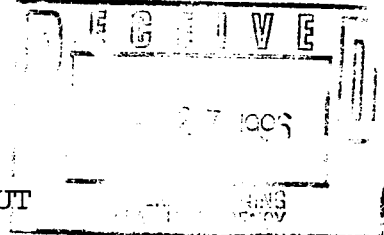
(SEE ATTACHED LIST OF WELLS AND LOCATIONS)

This office recommends a approval for the Changes of Operator for the wells listed above.

All operations will be covered under a \$150,000 Nationwide Bond filed with this office for Coastal.

If you have any questions, please contact this office at (801) 722-2406, Ext. 51/52/54.

cc: Jerry Kenczka, BLM/Vernal
Energy & Minerals, Ute Tribe
Ute Distribution Corporation, Roosevelt, UT
Lisha Cordova, State of Utah
Theresa Thompson, BLM/State Office





IN REPLY REFER TO:

3162.3
UT08438

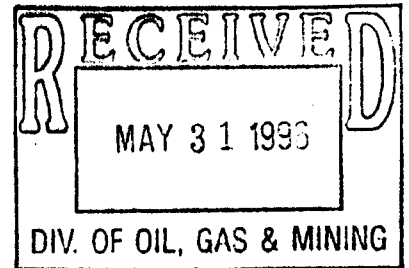
United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal District Office
170 South 500 East
Vernal, Utah 84078-2799

Phone: (801) 781-4400
Fax: (801) 781-4410

May 22, 1996



Coastal Oil & Gas Corp.
Attn: Sheila Bremer
P. O. Box 749
Denver CO 80201-0749

43-013-31447
Re: Well No. Ute 1-26B6
NENW, Sec. 26, T2S, R6W
Lease 14-20-H62-4646
Duchesne County, Utah

Dear Ms. Bremer:

This correspondence is in regard to the Sundry Notice submitted requesting a change in operator for the referenced well. After a review by this office, the change in operator request is approved. Effective immediately, Coastal Oil & Gas Corporation is responsible for all operations performed on the referenced well. All liability will now fall under your bond, a \$150,000 BIA Nationwide Bond, for all operations conducted on the referenced well on the leased land.

If you have any other questions concerning this matter, please contact Margie Herrmann or Pat Sutton of this office at (801) 789-1362.

Sincerely,

Howard B. Cleavinger II
Assistant District Manager for
Minerals Resources

cc: ANR Production Company
BIA
Division Oil, Gas, & Mining



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal District Office
170 South 500 East
Vernal, Utah 84078-2799

Phone: (801) 781-4400
Fax: (801) 781-4410

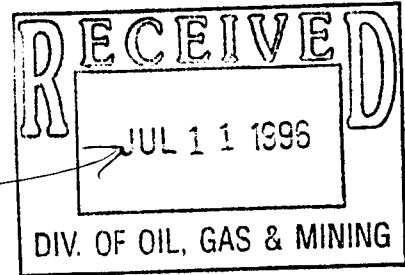
IN REPLY REFER TO:

3160
UT08300

Coastal Oil & Gas Corporation
Attn: Sheila Bremer
P O Box 749
Denver CO 80201-0749

July 9, 1996

DOG M
'LA' DATE



Re: Notification of Expiration
Well No. 1-26B6
Section 26 T2S, R6W
Lease No. 14-20-H62-4646
Duchesne County, Utah

Dear Ms Bremer:

The Application for Permit to Drill the above-referenced well was approved on June 14, 1994. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until June 14, 1996. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Margie Herrmann
Legal Instruments Examiner

cc: State Div. OG&M



Coastal
The Energy People

July 15, 1996

43-013 31447

Ute #1-26B6
Section 26-T2S-R6W
Lease No. 14-20-H62-4646
Duchesne County, Utah

Ms. Margie Herrmann
Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, UT 84078-2799

Dear Ms. Herrmann:

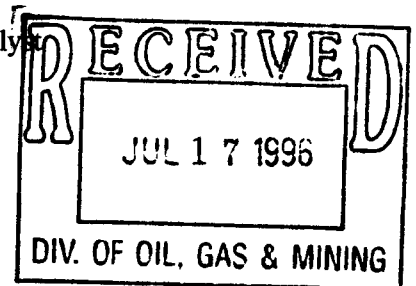
We are in receipt of your Notification of Expiration letter dated July 9, 1996. This letter is being submitted to confirm that no surface disturbance has been made for this drill site. If at such time Coastal Oil & Gas Corporation intends to drill at this location in the future, a new Application for Permit to Drill will be submitted.

If you need any further information, please do not hesitate to contact us.

Sincerely,

Sheila Bremer
Environmental & Safety Analyst

xc: State of Utah



Coastal Oil & Gas Corporation

A SUBSIDIARY OF THE COASTAL CORPORATION
600 17TH ST • STE 800 S • P O BOX 749 • DENVER CO 80201-0749 • 303 572-1111